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GOVERNMENT AND ADMINISTRATION

Prorogation and Opening of Parliament

REVIEW OF THE LAST SESSION

The Queen's speech on the prorogation of Parliament, summarising the work of the session, was delivered to both Houses of Parliament by the Lord Chancellor on 7 November.[1]

The text of the speech (with references to *Survey of Current Affairs* coverage in parentheses) is as follows:

My Lords and Members of the House of Commons.

The Duke of Edinburgh and I were pleased to receive the State Visits of His Highness the Amir of Qatar in November, their Majesties the King and Queen of Spain in April, and the President of the Federal Republic of Germany and Freifrau von Weizaecker in July.

We recall with great pleasure the State Visit to Nepal followed by visits to New Zealand and Australia earlier this year, as well as the recent State Visit to the People's Republic of China and the visit to Hong Kong (see p 352).

My Government have attached great importance to relations with countries in the Far East. This was marked by the Prime Minister's visit to the Republic of Korea in May and by visits here of the President of the Republic of Korea in April and the General Secretary of the Central Committee of the Communist Party of China in June.

My Government and the Chinese Government have made good progress in carrying out the Sino-British Joint Declaration on Hong Kong (see pp 37-40 and 190-1).

My Government have enhanced the United Kingdom's defences and played a full part in the Atlantic Alliance (see pp 177-85). *My Government have worked vigorously for balanced and verifiable agreements on arms control in respect of nuclear, chemical and conventional weapons, keeping in close consultation with the United Kingdom's allies* (see pp 85-7, 260-2 and 319-20). *They were active at the Stockholm conference on disarmament in Europe which reached agreement in September* (see pp 317-19). *They have continued to seek improved relations with the Soviet Union and the countries of Eastern Europe* (see pp 254-6).

My Government have assumed the Presidency of the Council of Ministers of the European Community (see pp 211-14). *My Government signed the Single European Act to amend the Treaty of Rome and legislation to give effect to it has been passed* (see pp 143-4).

My Government have worked to bring about peaceful and fundamental change in South Africa in consultation with their partners in the European Community and with the Commonwealth (see pp 256-60 and 321-3). *They have supported efforts to restore the independence and non-aligned status of Afghanistan and Cambodia* (see pp 314-15). *My Government have honoured their commitments to the people of the Falkland Islands, while continuing to seek more normal relations with Argentina* (see pp 380-2, 1985).

My Government welcomed the resolution adopted at the United Nations Special Session on Africa concerning the economic recovery and development of African countries (see pp 187-9). *They have provided substantial emergency assistance to victims of famine in Africa, both directly and through the European Community* (see pp 42, 219-20 and 264).

My Government have worked hard for the launching of a new round of multilateral trade negotiations within the General Agreement on Tariffs and Trade (see pp 328-9). *They welcome this initiative, believing that a successful outcome to the negotiations will preserve and strengthen the world's open trading system.*

My Government have made vigorous efforts to combat international terrorism and trafficking in drugs (see pp 113-17, 140-1, 288 and 320-1).

My Government have signed a treaty with the Government of France for a Channel Tunnel to be financed by private capital (see pp 58-63). *Legislation has been introduced to enable the treaty to be ratified* (see pp 235-6).

My Government and the Governments of the Cayman Islands and the United States of America have signed a treaty relating to mutual legal assistance in criminal matters. My Government have introduced measures for the better administration of the Turks and Caicos Islands (see p 271).

Members of the House of Commons I thank you for the provision which you have made for the honour and dignity of the Crown and for the public service.

My Lords and Members of the House of Commons, my Government's policies have been successful in reducing inflation to levels not seen for almost 20 years. The output of the nation continues to expand and the number of people in work continues to grow (see pp 355–60).

In order to give more help to the unemployed, my Government have through the Wages Act removed some outdated obstacles to the creation of new jobs (see pp 90-1) *and have expanded existing employment and training measures including the introduction*

[1] *Hansard*, Vol 103, No 172, cols 1196-200.

of the national Restart programme for the long-term unemployed and the expansion of the Community Programme and the Enterprise Allowance Scheme (see p 124). *The 'Action for Jobs' information campaign has been introduced to ensure that employers, employees and unemployed people know what help is available to them.*

My Government continue to attach the highest importance to the education and training of young people and to improving the links between school and work. The new two year Youth Training Scheme was launched successfully and the Technical and Vocational Education Initiative has been expanded to a nationwide programme offering the opportunity of participation to all those between 14 and 18 years of age at school (see pp 230-3).

My Government have taken additional initiatives to encourage enterprise and improve the performance of the economy (see p 355). *The basic rate of income tax has been further reduced* (see p 126).

Continuing my Government's programme of encouraging greater industrial efficiency and promoting wider share ownership, legislation has been enacted to provide for the setting up of new regulatory arrangements for the gas supply and airports industries and for the sale of shares in British Gas (see pp 14-15 and 161) *and the British Airports Authority* (see pp 93-4) *to the public. An Act was also passed to enable the Atomic Energy Authority to operate as a trading fund from 1 April 1986 with a capital structure and borrowing powers* (see p 108). *The remaining warship yards of British Shipbuilders have been sold* (see p 358, 1985) *as have my Government's residual shares in Cable and Wireless. The National Bus Company has begun to sell its undertakings to the private sector including sales to managers and employees.*

An Act has been passed to enable building societies to increase the range of services offered to the public and to provide a new statutory framework for their supervision (see pp 12-14, 164, 236 and 251).

Legislation has been passed to extend and reform the regulation of investment business (see pp 51-4, 151-2, 236-7 and 378). *This will protect the interest of investors while encouraging the continued development of strong, efficient and competitive financial services.*

Legislation has been enacted to improve the management of schools in England and Wales and to promote the professional effectiveness of teachers (see pp 239-40).

An Act has been passed giving further effect to my Government's policies towards agriculture and the countryside (see p 251).

Legislation has been passed to encourage the sale of publicly owned flats to their tenants and the wider involvement of private business in the ownership and management of council housing, and to improve the planning system (see p 101-2).

Legislation has been enacted to prohibit expenditure on party political publicity by local authorities and to require local authorities to make a rate by 1 April each year (see p 375, 1985).

An Act has been passed to reform social security (see pp 71-3 and 252).

In Northern Ireland, the security forces have continued the fight against terrorism with courage and dedication (see pp 84 and 208-9). *My Government have entered into an Agreement with the Government of the Republic of Ireland which they believe can benefit all the people of Northern Ireland and help achieve greater peace and stability* (see pp 367-84, 1985).

For Scotland, measures have been passed to extend the rights of public sector tenants, facilitate the private ownership of public sector housing and improve the building control system (see p 378), *and to improve legal aid arrangements* (see p 252).

Further progress has been made in the consolidation of statute law (see pp 108, 251-3 and 378–9). *Legislation has been passed for England and Wales to set fair time limits for cases involving latent damage* (see p 252); *provision has been made to settle conflicts of law relating to child abduction within the United Kingdom* (see p 378), *and to reform the law of land registration* (p 252) *and the administration of funds by the Public Trustee and other authorities* (see p 378).

An Act has been passed to enable the courts in England and Wales to confiscate the proceeds of drug trafficking, and to penalise those who assist traffickers to retain the benefit of such proceeds (pp 69-71 and 261-2).

An Act has been passed to reform the law relating to public order (see pp 33-5 and 378).

Legislation has been enacted to establish improved arrangements for the protection of animals used for experimental and other scientific purposes (see pp 94-5 and 251).

An Act has been passed to modify and extend the management structure of salmon fisheries in Scotland and to introduce further measures to prevent illegal fishing in Great Britain (see p 379).

Proposals have been made to extend the accountability of local authorities and for other reforms in the finance of local government (see pp 46-50).

PROGRAMME FOR THE NEW SESSION

The Queen's speech on the opening of the new session of Parliament – the fourth session of the forty-ninth Parliament of the United Kingdom – was delivered in the House of Lords on 12 November to members of both Houses. Among the legislation which the Government proposes to introduce are measures to improve the working of criminal justice and to further reform family law in England and Wales; to enable the construction of a Channel Tunnel; to improve the system for the supervision of banks; and to abolish domestic rates in Scotland.[1]

The text of the speech, which outlines the Government's policies for the coming session, is as follows:

My Lords and Members of the House of Commons.

I look forward with much pleasure to receiving His Majesty King Fahd of Saudi Arabia and His Majesty King Hassan of Morocco on State Visits during the next 12 months.

I also look forward to visiting Berlin in May during that city's 750th anniversary year and to being present on the occasion of the Commonwealth Heads of Government Meeting in Canada.

[1] *Hansard*, Vol 105, No 1, cols 3-5.

My Government will continue to attach the highest importance to national security and to preserving peace with freedom and justice. They will maintain the United Kingdom's own defences and play an active part in the Atlantic Alliance.

My Government will work for new agreements on arms control and disarmament. They will seek greater co-operation and trust between East and West and work for progress at the Vienna Review Conference on Security and Co-operation in Europe.

My Government will hold the Presidency of the Council of Ministers of the European Community until the end of this year. Within the Community they will work to promote enterprise and employment; to remove barriers to internal trade; for improvements in world trade rules; and for continuing reform of the Common Agricultural Policy.

My Government will honour their commitments to the people of the Falkland Islands while continuing to seek more normal relations with Argentina. They will discharge their obligations to the people of Hong Kong and will work closely with the Chinese Government to carry out the Sino-British Joint Declaration. They will stand by their commitment to the people of Gibraltar.

My Government will continue to work for peaceful and fundamental change in South Africa, in consultation with their partners in the European Community and with the Commonwealth. They will support Namibian independence. They will look for solutions to the problems of the Middle East. They will support attempts to achieve settlements in Afghanistan, in Cambodia, in Cyprus and in Central America.

My Government will make vigorous efforts to combat international terrorism and trafficking in drugs.

My Government will play a constructive role in the Commonwealth and at the United Nations. They will maintain a substantial aid programme, play their part in the relief of famine and other natural disasters and encourage investment in the developing countries.

Estimates for the public service will be laid before you.

My Government's firm monetary and fiscal policies will continue to restrain inflation and foster the conditions necessary for further sustained economic growth. Within that framework, my Government will continue to promote enterprise, the growth of employment and the education and training of young people.

My Government will maintain firm control of public expenditure, so that it may continue to fall as a proportion of the nation's income and permit further reductions in the burden of taxation. Consistently with this, my Government will continue to seek better value for money in public spending, so that vital services may be further improved.

Action will be taken to further privatisation, both to improve economic efficiency and to encourage wider share ownership.

Legislation will be introduced to improve the system for the supervision of banks.

A Bill will be brought forward to improve the working of criminal justice, to implement certain recommendations made by the Committee on Fraud Trials and to make further provision for the confiscation of the proceeds of crime.

Measures will be proposed to promote further competition in order to secure greater efficiency in the provision of local authorities' services, and to improve the basis for the payment of rate support grant in England and Wales.

Legislation will be brought before you to repeal the Remuneration of Teachers Act 1965 and to introduce new arrangements to settle schoolteachers' pay, duties and conditions of service within the resources available.

A Bill will be introduced to extend the rights of people living in privately owned flats in England and Wales.

A Bill will be introduced to facilitate the conservation and management of the Norfolk and Suffolk Broads.

Legislation will be introduced to provide further financial assistance to support the coal industry's progress to commercial viability and to enable fair representation of the workforce.

Measures will be proposed to bring up to date the arrangements regulating oil and gas installations and operations.

Measures will be brought forward further to reform family law in England and Wales.

A Bill will be introduced to modify the system for the control of fire risks and to make further provision for safety at sports grounds.

For Scotland, Bills will be introduced to abolish domestic rates, to reform the enforcement of debts due under court orders, and to make various improvements to criminal justice.

My Government will continue through the Anglo-Irish Agreement to co-operate with the Government of the Republic of Ireland. They will encourage elected representatives in Northern Ireland to search for an agreed basis for the return to a devolved administration. They will continue to encourage economic and industrial development. A Bill will be introduced to amend Northern Ireland legislation against terrorism.

Measures will be proposed to reform the administration of marine pilotage.

Legislation will again be brought before you to enable construction of a Channel Tunnel. A Bill will be introduced to authorise the construction of a third crossing of the Thames at Dartford.

Measures will be proposed to strengthen the law on consumer protection.

Other measures will be laid before you.

My Lords and Members of the House of Commons

I pray that the blessing of Almighty God may rest upon your counsels.

By-election and State of the Parties

Details of the result of a recent parliamentary by-election and the present state of the parties in the House of Commons are given below.

The Labour Party retained the seat at Knowsley North in a parliamentary by-election on 13 November. The seat became vacant when its holder, Mr Robert Kilroy-

Silk, resigned from Parliament in October. The Labour candidate, Mr George Howarth, won by a majority of 6,724 votes.

The results were as follows:

G. Howarth (Labour)	17,403
R. Cooper (Liberal–Social Democratic Alliance)	10,679
R. Brown (Conservative)	1,960

Three other candidates between them received a total of 863 votes; all lost their deposits. Votes were cast by 57 per cent of the electorate.

At the general election in June 1983, when 69·5 per cent of the electorate voted, the seat was held by the Labour Party with Mr Kilroy-Silk polling 24,949 votes, followed by the Conservative candidate with 7,758 votes, and the Alliance candidate with 5,715 votes.

State of the Parties

Following the by-election, the state of the parties in the House of Commons is now as follows:

Conservative	391
Labour	208
Liberal	19
Social Democratic	7
Scottish National	2
Plaid Cymru (Welsh Nationalist)	2
Ulster Unionist (Northern Ireland)	10
Democratic Unionist (Northern Ireland)	3
Ulster Popular Unionist (Northern Ireland)	1
Social Democratic and Labour (Northern Ireland)	2
Sinn Fein (Northern Ireland)	1
TOTAL	646

The four remaining seats are held by the Speaker of the House of Commons and his three deputies (the Chairman of Ways and Means and the first and second Deputy Chairmen of Ways and Means) who do not vote except in their official capacity in the event of a tie. The government majority over all other parties is 136, although the Sinn Fein MP has not taken his seat.

Recent Legislation

The following public Acts of Parliament were passed in November at the end of the parliamentary session.

Education (No 2) Act 1986 (see pp 239-40). Royal Assent: 7.11.86. Ch 61, ISBN 0 10 546186 5, HMSO, £6·50.

European Communities (Amendment) Act 1986. Amends the European Communities Act 1972 to take account of the Community's Single European Act which, signed by all 12 member states in 1986, amends the Community's treaties and makes separate treaty provision formalising member states' political co-operation on foreign policy (see pp 143-4). Royal Assent: 7.11.86. Ch 58, ISBN 0 10 545886 4, HMSO, 80p.

Family Law Act 1986. Establishes new rules for reorganising, registering and enforcing custody orders for children throughout the United Kingdom and introduces uniform jurisdictional rules for each part of the United Kingdom; amends the law relating to the recognition of divorces, annulments and legal separations; and, for England and Wales only, amends the law relating to the powers of the courts to make declarations concerning the status of a person. Royal Assent: 7.11.86. Ch 55, ISBN 0 10 545586 5, £4·90.

Financial Services Act 1986 (see pp 51-4, 151-2 and 236-7). Royal Assent: 7.11.86. Ch 60, ISBN 0 10 546086 9, HMSO, £11·60.

Housing (Scotland) Act 1986. Makes amendments to the Tenants' Rights, Etc. (Scotland) Act 1980, the Housing Associations Act 1985, the Building (Scotland) Act 1959, and makes further provisions for extending the right-to-buy policy and improving and simplifying the building control system. Royal Assent: 7.11.86. Ch 65, ISBN 0 10 546586 0, HMSO, £3·80.

Housing and Planning Act 1986 (see pp 101-2). Royal Assent: 7.11.86. Ch 63, ISBN 0 10 546386 8, HMSO, £10·80.

National Health Service (Amendment) Act 1986. Applies certain existing food and health and safety at work legislation to health authorities, thus making hospitals and other National Health Service establishments subject to the same food hygiene requirements as private caterers; limits the allocation of new National Health Service pharmacy contracts to areas where the extra service is needed; and re-establishes the Government's powers to administer family practitioners' remuneration fairly by allowing past under- or over-payments to be reflected in future fees. The Act covers England, Scotland and Wales and it is intended to extend it to Northern Ireland. Royal Assent: 7.11.86. Ch 66, ISBN 0 10 546686 7, HMSO, £1·90.

Parliamentary Constituencies Act 1986. Consolidates the House of Commons (Redistribution of Seats) Acts 1949 to 1979 and certain related enactments. Royal Assent: 7.11.86. Ch 56, ISBN 0 10 545686 1, HMSO, £2·90.

Public Order Act 1986 (see pp 33–5). Amendments were made during the passage of the Bill to create a new police power to direct trespassers to leave land in certain circumstances; failure to comply with this will constitute an offence for which the penalty is three months' imprisonment and/or a fine of up to £1,000. Royal Assent: 7.11.86. Ch 64, ISBN 0 10 546486 4, HMSO, £4·40.

Public Trustee and Administration of Funds Act 1986. Amends the law concerning certain aspects of the work of the Lord Chancellor's Department. Royal Assent: 7.11.86. Ch 57, ISBN 0 10 545786 8, HMSO, £1·40.

Rate Support Grants Act 1986. Amends the Local Government, Planning and Land Act 1980 concerning rate support grants. Royal Assent: 21.10.86. Ch 54, ISBN 0 10 545486 9, HMSO, £1·40.

Salmon Act 1986. Modifies and extends the management structure of salmon fisheries in Scotland and introduces measures to prevent illegal fishing in Great Britain. Royal Assent: 7.11.86. Ch 62, ISBN 0 10 546286 1, HMSO, £4·90.

Sex Discrimination Act 1986 (see p 199). Royal Assent: 7.11.86. Ch 59, ISBN 0 10 545986 0, HMSO, £2·40.

Criminal Justice Bill

Wide-ranging measures to help the courts deal with serious criminals and give greater help to the victims of crime are contained in the Criminal Justice Bill which was given a second reading in the House of Commons on 27 November. The Bill's provisions include measures to combat serious fraud; powers to confiscate the proceeds of all highly profitable crimes; arrangements for compensating victims; improvements in the jury system; and changes in the extradition laws.

The Bill gives effect to proposals contained in the White Paper *Criminal Justice: Plans for Legislation* published in March (see pp 109-12) and to most of the main recommendations made by the Roskill Committee on Fraud Trials (see pp 35-6 and 331-2). The Home Secretary, Mr Douglas Hurd, has described the Bill as the fifth in a series of major reforms of the powers of the police and the courts which the Government has introduced during the past five years. The Criminal Justice Act 1982 (see pp 39-41, 1982) established a new structure for dealing with young offenders; the Police and Criminal Evidence Act 1984 (see pp 397-9, 1984) set out a clear framework for the exercise of police powers; the Prosecution of Offences Act 1985 (see pp 147-8, 1985) established the Crown Prosecution Service to provide for greater consistency in prosecution decisions; and the Public Order Act 1986 (see pp 33-5) provided the police with strong powers to protect citizens going about their lawful business. In addition the Drug Trafficking Offences Act 1986 introduced important new powers to combat drug trafficking (see pp 69-71). The present Bill to strengthen the legal framework of the criminal justice system is regarded by the Government as a crucial part of its strategy.

PROVISIONS OF THE BILL

The main provisions of the Bill are as follows.

Fraud

The Bill would implement most of the recommendations on the investigation and prosecution of major cases of fraud made by the Roskill Committee. A Serious Fraud Office would be established, under the charge of a Director appointed by the Attorney General, with responsibility for investigation and prosecution of the most serious and complex cases. There would be a procedure which would enable such cases to be transferred direct to the Crown Court, without the need for committal proceedings before magistrates, and would allow judges to order formal preparatory hearings to identify areas which were not in dispute between prosecution and defence, settle points of law and clarify the issues for the jury. Together with the changes in the rules on admissibility of business documents as evidence (see below) these measures are designed to safeguard the probity of financial institutions.

Evidence

The rules governing the admissibility of evidence other than that given orally in court would be relaxed under the provisions of the Bill. The proposals broadly follow the recommendations of the Roskill Committee, and would apply to criminal trials generally and not only to cases of fraud. A new procedure would be established for commissioning evidence from overseas. A written statement would be as admissible as an oral statement by the same person. Business documents would 'speak for themselves' if they were based on information provided by someone with direct knowledge of the relevant facts.

Video Links

The Bill would enable evidence from a witness outside the United Kingdom to be given by a live video link in proceedings before the Crown Court and for children under 14 to give evidence by this means in respect of sexual offences or violent assault.

Evidence by Children

The category of offences for which children need not appear in committal proceedings in magistrates' courts and at which written evidence would be admissible would be broadened.

Sentencing Questions

Provision would be made for the Attorney General to refer Crown Court sentences to the Court of Appeal where he considers that they raise questions of public importance, so that the Court can state or reaffirm the principles to be followed in sentencing in similar cases in the future.

Powers of the Courts

A number of provisions affecting the powers of the courts are contained in the Bill, the most significant being as follows.

Maximum Penalties

The maximum penalty for carrying firearms or imitation firearms in furtherance of crime would be increased from 14 years to life imprisonment and the maximum prison term for corruption from two to seven years.

Magistrates' Courts

In order to reduce pressure on the Crown Court and thereby reduce delays a number of offences would be reclassified as triable only by magistrates, with a corresponding reduction in maximum penalties. These are: driving while disqualified; taking and driving away vehicles; common assault; and criminal damage valued

below £2,000. Magistrates' power to order convicted offenders to be detained for up to four days in police cells would be repealed on the grounds that such accommodation is unsuitable for sentenced prisoners and diverts police effort from the prevention or investigation of crime.

Forfeiture of Goods

The courts' power to order offenders to forfeit goods connected with their offence would be extended to all offences (at present this applies only to those with a maximum penalty of two years' imprisonment or more).

Confiscation of Assets

The power to order the confiscation of the proceeds of crime which was introduced for drug trafficking offences under the Drug Trafficking Offences Act 1986 (see pp 69-71) would be extended to other highly profitable crimes. Confiscation would be in addition to whatever sentence the court imposed for the offences. The provisions include power for the High Court to order pre-trial restraint of defendants' assets and their direct realisation after conviction to secure payment. The court would have discretion whether or not to make a confiscation order and to determine what amount should be paid. For an order to be made the offender would have to have realised at least £10,000 from his offences, and the court would be precluded from making an order which exceeded the total amount of the proceeds.

Compensation for Victims

The Bill contains a number of measures to improve the position of victims of crime, including the relatives of a person who has died as a result of injury. The courts' powers to make compensation orders would be extended and courts would be required to give reasons for not making such an order in all cases where they had power to do so. They would also be empowered to order that the proceeds of property ordered to be forfeited by the offender go to compensate the victim of the offence. The Bill also includes provisions to establish a statutory Criminal Injuries Compensation Scheme to replace the existing non-statutory scheme. Victims would, for the first time, be entitled to compensation as of right.

Juries

The defence's right to challenge jurors without cause ('peremptory challenge') would be removed under provisions of the Bill. The upper age limit for jury service would be extended from 65 to 70 – adding some 2·25 million new potential jurors – but people over 65 would be able to be excused service as of right.

Young Offenders

In order to make more efficient use of accommodation the Bill would permit young offenders sentenced to terms of youth custody of over four but not more than six months to be placed in detention centres. The courts would be empowered to impose custody on juveniles in breach of supervision orders made specifically as an alternative to custody. They would also be empowered to require a fine imposed on a juvenile for failing to comply with the requirements of a supervision order, to be paid by his or her parent or guardian.

Extradition

The Bill contains provisions to modernise and overhaul the United Kingdom law on extradition to and from foreign countries (as distinct from Commonwealth countries and the Irish Republic). This would enable the United Kingdom to sign the European Convention on Extradition and should facilitate the return from other European countries of people wanted in the United Kingdom. The principal change is the abolition of the overriding requirement that a foreign government requesting extradition should prove a *prima facie* case against the defendant in British courts. The proposals would enable the United Kingdom to make treaties waiving this requirement, though all *ad hoc* arrangements would continue to contain it.

An extradition crime is defined as one punishable with 12 months' imprisonment or more in the United Kingdom and in the requesting state. The Bill sets out certain restrictions on the return of fugitives, however. A person accused or convicted of a political offence could not be extradited nor would extradition be granted if the request were motivated by an intention to persecute the fugitive or if he or she would be prejudiced at trial on the ground of race, religion, nationality or political opinion. The Home Secretary would retain discretion not to surrender a fugitive and the Bill sets out the criteria to be applied in exercising this discretion.

Taken together with the relaxation of the rules governing the admissibility of documentary evidence, these proposals are intended to enable extradition cases to be dealt with more swiftly and allow more cases to be successfully concluded.

Other Matters

The Bill contains a number of miscellaneous provisions some of which are to correct deficiencies in earlier legislation. They include an amendment to the Immigration Act 1971 to make overstaying a continuing offence; the repeal of section 6 of the Sexual Offences (Amendment) Act 1976, which prevented the disclosure of the names of defendants in rape cases; the amendment of section 4 of that Act to extend the anonymity of complainants in such cases; and a power for courts to remand defendants to Customs custody in drug smuggling cases.

Extent of Bill's Provisions

Many of the Bill's proposals extend only to England and Wales but those on extradition apply to the whole of the United Kingdom, as do the powers of investigation of the Director of the Serious Fraud Office and the proposal to make overstaying by immigrants a continuing offence. The proposals for a statutory criminal compensation scheme and for increasing maximum penalties for carrying firearms in furtherance of crime and for corruption would apply to Scotland as well as to England and Wales.

PARLIAMENTARY DEBATE

The Criminal Justice Bill was given a second reading in the House of Commons on 27 November after an Opposition amendment to reject it was defeated by

219 votes to 160 (*Hansard*, Vol 106, No 12, cols 465-530). Opening the debate, Mr Hurd said the Government's programme of law reform in response to the steady 30-year rise in the level of crime which Britain shared with most other European countries was to build up all the different sections of its policy: crime prevention, police strengths, police powers, safeguards for the citizen, inner city initiatives, investment in prisons, developments of alternatives to prison and closer international co-operation. The main purpose of the present Bill was to strengthen the powers of the courts in relation to large-scale crime and to improve the treatment of victims.

Referring to the Bill's provisions against fraud, Mr Hurd said that, if unchecked, fraud could undermine the standing of Britain's major financial institutions. The new Serious Fraud Office would work in close co-operation with the police and would have powers to require questions to be answered and documents produced. The most controversial recommendation of Lord Roskill's report was for a specially constituted tribunal to try the most complex frauds instead of a jury. He acknowledged that there was a danger of random justice when the evidence in a trial was so 'technical and labyrinthine' that the jurors had difficulty in following it. But it was a central principle that a person charged with a serious offence should be tried by jury. The Bill contained measures to make the jury's task easier – improvements in the presentation of evidence, provision for preparatory hearings and changes in the rules of evidence – but the Government had not ruled out the possibility of returning to the idea of a special tribunal in the future.

The changes proposed to the rules of evidence, which would extend to all criminal proceedings, were a substantial response to the Roskill report and would make possible greater use of documents as evidence and the more frequent use of evidence from overseas. They should provide a more effective system for the prosecution and trial of major frauds. Taken with other legislation to strengthen the regulatory framework, including the Banking Bill (see p 388), they should do much to boost confidence in Britain's financial institutions. The proposal to allow children who were victims or witnesses in trials of violent or sexual offences to give evidence on live closed-circuit television would spare them the ordeal of testifying in court. While still providing for cross-examination this should enable more cases of child abuse to be brought before the courts.

Turning to sentencing practice Mr Hurd went on to discuss the difficulty of dealing with the problem of the damage caused to public confidence by the occasional apparently over-lenient sentence. One approach proposed in the Prosecution of Offences Bill has been rejected by the House of Lords (see p 148, 1985) and an alternative proposal contained in the White Paper on Criminal Justice (see p 109) had now been reconsidered. The procedure now proposed would be expressly confined to cases which appeared to the Attorney General to raise questions of public importance.

There had been some criticism, continued Mr Hurd, of the proposal to increase the maximum penalty for carrying firearms during the commission of crime to life imprisonment on the grounds that it would remove the incentive not to pull the trigger. That was misconceived; the proposal was for a maximum, not a mandatory, sentence and the highest penalty would be available for the worst cases. Far from weakening the deterrent against pulling the trigger, the proposal was a strong incentive for the firearm not to be used in the first place.

The Bill made provision for the proceeds of highly profitable crime to be seized. It was an affront to justice that a criminal should, having served his sentence, be able to live comfortably on the fruits of his crime. There would be a procedure for freezing assets before trial and once a confiscation order had been made the High Court would have the power to order the realisation of any of the defendant's property to satisfy the order.

Turning to the part of the Bill dealing with compensation for victims, Mr Hurd said that the circumstances in which the courts could make a compensation order against an offender were being extended to include for the first time compensation for the dependants of those fatally injured. The Bill also required the courts to give reasons in cases where they decided not to order compensation. A major flaw in the criminal justice system had been the extent to which the needs of victims has been overlooked. He was glad to have announced a grant of £9 million over three years to help the development of local victim support schemes in addition to the help already being given to the national association.

Several changes would be made to the law on juries, the most controversial of which was the abolition of the defence rights of peremptory challenge. The number of challenges allowed (now three) had been steadily reduced over the years, and it seemed wrong to the Government that jurors should be removed without reasons being given, and unsatisfactory that in cases with large numbers of defendants the composition of the jury should be radically changed. The wholesale removal of members of the public, of whom the defendants know nothing beyond their name and appearance, did not enhance public confidence in the jury system and undermined its random quality. An accused person who had a substantive reason for believing that a particular juror was biased against him would be able, as now, to give his reasons and seek the juror's removal, using the procedure known as 'challenge for cause'. The Government accepted that the abolition of peremptory challenge would have implications for the much more rarely used procedure under which the prosecution can stand jurors by for the Crown. The Attorney General was preparing guidelines which would confine the use of the stand by procedure to strictly limited categories of cases and these would be made known during the passage of the Bill.

The last major part of the Bill revised and re-enacted the law on extradition. The present law was plainly out of date as crime became increasingly international. More needed to be done to buttress the international rule of law and to prevent fugitive criminals from evading punishment. The present requirement that the country requesting extradition from Britain must establish a *prima facie* case against the fugitive in British courts was a considerable impediment because of differences in legal systems. A safeguard would be retained to prevent fugitives being extradited if they were in danger of facing arbitrary justice.

Two further matters were not included in the Bill because consultations were still taking place but the Government intended to bring forward proposals at

the Committee stage. These were prison discipline, on which a White Paper was published recently (see p 371), and the length of the time for remands in custody.

Mr Hurd concluded by saying that the Bill was part of the general strategy against crime. He had just published a criminal justice working paper[1] which tried to show how the Government's different policies acted in harmony. This combination of policies was the only sure and sensible way of edging back the level of crime.

Opposition Views

Mr Gerald Kaufman, chief official Opposition spokesman on home affairs, said the Bill should be judged by the effect it was likely to have on stemming the increase in crime. Some of the Bill's proposals would have his party's support. These included the establishment of a Serious Fraud Office, the use of videos for child witnesses, the enhanced protection of the anonymity of rape victims and the ending of anonymity of rape defendants. They were not opposed in principle to the confiscation of assets from those who gained from crime but the provisions were so convoluted that there were serious doubts as to whether they were operable. They also had misgivings about the inadequate provision for restoration and compensation when confiscation had taken place erroneously. The Opposition deplored the fact that the Bill did not contain provisions on the prison grievance and disciplinary systems. Some of the Bill's proposals were bad and they would oppose them: it was vindictive to make overstaying by immigrants a continuing offence and it was dangerous to remove the *prima facie* rule from extradition. They opposed the abolition of the peremptory challenge in jury trials since there was no evidence that peremptory challenge had been misused. With many others they were worried about the new life sentence for carrying firearms, even replica firearms, in furtherance of crime. It had been pointed out that there would be the same maximum penalty for carrying and for using firearms. This could put police officers and members of the public at greater risk than at present.

Mr Alex Carlile, speaking for the Liberal Party, said the Bill made no contribution to the problems of burgeoning crime, crimes of violence and crimes in which knives, crossbows and other weapons were used. It failed even to start the process of codifying and simplifying the criminal law. Its main weakness, however, was its attack on the jury system, which was the central pillar of the criminal justice system. While changing the extradition law Britain must remain a country in which fairness, justice and fearlessness were maintained against foreign countries which were less just. There were many issues in the Bill, particularly proposals on the jury system, that would have to be considered at the Committee stage.

[1] *Criminal Justice. A Working Paper.* Revised edition, 1986. Available from Home Office, 50 Queen Anne's Gate, London SW1H 9AT. Unpriced. ISBN 0 86252 265 X.

Falkland Islands: United Nations Debate

During a United Nations General Assembly debate in November, Britain, while reaffirming its refusal to discuss with Argentina sovereignty over the Falkland Islands, re-emphasised its willingness to negotiate on such issues as diplomatic and trade relations and the conservation of South Atlantic fisheries resources.

The draft resolution debated by the Assembly called on Argentina and Britain 'to initiate negotiations with a view to finding the means to resolve peacefully and definitively the problems pending between both countries, including all aspects on the future of the Falkland Islands . . .' On 25 November, it was passed by 116 votes to 4 with 34 abstentions. It was sponsored by Algeria, Brazil, Ghana, India, Mexico, Uruguay and Yugoslavia.

Commenting on the vote, the Foreign and Commonwealth Secretary, Sir Geoffrey Howe, said on 25 November that Britain was profoundly disappointed that the General Assembly had failed to uphold the right of self-determination, one of the United Nations' founding principles. The vote would not weaken Britain's determination to uphold its commitment to the Falkland Islanders and to work for better relations with Argentina. As before, Britain stood ready to discuss with Argentina practical ways of building confidence between both countries. The only way ahead was to do this step by step and this meant that the issue of sovereignty had to be set aside. Sir Geoffrey concluded: 'To give away diplomatically what Argentina tried to seize by force would be a betrayal of those British servicemen who sacrificed their lives in the Falklands war.'

In 1982 Argentina invaded and occupied the Islands in contravention of the UN Charter (see pp 105-12, 1982); after ten weeks the Argentine forces were expelled by British forces (see pp 188-9, 1982).

BRITISH STATEMENTS

Self-determination

Speaking on 24 November, Britain's Permanent Representative, Sir John Thomson, said that previous General Assembly resolutions, by providing support for Argentina, had rendered more intractable the differences between both countries. They had also ignored a vital principle enshrined in the UN Charter, namely the right to self-determination. Over the past 153 years on the Falkland Islands a small homogeneous community, almost entirely of British stock, had developed its own political customs and conventions and had made clear through its elected representatives its desire to remain British. In recent debates on Namibia, apartheid in South Africa and Palestine, great stress had been laid on the universal right of self-determination; if every delegation that had called for the application of this principle in these cases were to support the Falkland Islanders, they would have an overwhelming majority. Once the Assembly recognised the Falklanders' rights to self-determination, it might be able to make a useful contribution to resolving outstanding problems between Britain and Argentina; however, as long as it continued to adopt prejudicial and unbalanced motions which endorsed an unrealistic and irresponsible policy Britain would continue to reject them. 'But in so doing,' Sir John added, 'I want also to make clear that my Government's commitment to achieving normal relations with Argentina remains, notwithstanding the many disappointments, as firm as ever.'

British-Argentine Relations

Britain, emphasised Sir John, had welcomed the restoration of democracy in Argentina in 1983, seeing it as an opportunity for a new start (see p 294, 1984). However, even under a democratic government, Argentine policy had been subordinated to pursuing the goal of sovereignty over the Islands by exploiting the heritage of tension left by the predecessor government. Despite this, and the failure of the talks in Berne in 1984 (see pp 293-4, 1984), Britain had continued to take a series of initiatives aimed at rebuilding mutual confidence, efforts which had either been ignored or rejected by Argentina.

South Atlantic Fisheries

Britain had also sought areas in which co-operation could take place on a mutual basis, an example being South Atlantic fisheries where fish stocks were under threat. Britain had wanted to find a way of managing these in the interests of all concerned, had supported a collaborative approach under the auspices of the Food and Agriculture Organisation and had sought Argentine co-operation. The sovereignty issue, although difficult, would not have been insurmountable since both countries were continuing to co-operate within the framework of the Antarctic Treaty, notwithstanding a sovereignty dispute there.[1]

This multilateral approach, however, was undermined by Argentina's conclusion of bilateral fisheries agreements with the Soviet Union and Bulgaria which,

[1]Under the Antarctic Treaty all claims to sovereignty in the different parts of the area are frozen.

by raising the issue of sovereignty, were a challenge to the Falkland Islanders and the British Government. Since Argentina had no intention of supporting a multilateral approach, and in view of the threat posed to marine stocks by the rapidly increasing number of fishing boats in the area (from 200 to 600 in the past two years), Britain had had no choice but to act by declaring an interim conservation and management zone of 150 miles around the Falkland Islands (see pp 361-2). The South Atlantic was the last great fishing area in the world without a multilateral regime concerned with the management of fisheries. Recalling that in 1985 the Argentine foreign minister had chided Britain for not paying enough attention to the problem and had said that there was a risk of squandering a major natural resource, Sir John pointed out that if over-fishing continued, the most valued species (the squid) would be eliminated from South Atlantic waters.

In response to Argentine claims that the British declaration was aggressive behaviour, Sir John pointed out that in 1986, in waters over 200 miles from Argentina and less than 200 miles from the Islands, Argentine coastguard vessels had not shrunk from using force to assert sovereignty claims, several foreign fishing vessels being strafed and one being sunk, with consequent loss of life. Moreover, Argentina had been guilty of aggression in 1982. Britain was opposed to any aggressive action since it was contrary to its interests and to the UN Charter. Britain had also underlined its concern for peace in the South Atlantic by recently voting in favour of a draft resolution calling for the establishment of a zone of peace in the area.[1]

Cessation of Hostilities

Commenting on Argentina's offer on 17 November to end the state of hostilities,[2] Sir John said that this was not the unconditional declaration that Britain was looking for, the Argentine foreign minister having made it clear that the offer was dependent on Britain being ready to negotiate about sovereignty, with the inevitable outcome being, in the Argentine view, its transfer to Argentina.

Sir John recalled that immediately after the 1982 conflict, Britain had taken prompt steps to confirm that the surrender of Argentine forces had reflected a total cessation of hostilities. Britain had proposed that, if such a confirmation were received, the exclusive zones imposed by both countries could be removed and trade restrictions lifted. The Argentine response, however, had been that there was only a *de facto* cessation of hostilities and that this would be precarious as long as British forces remained on the Islands. Although Argentina's failure to declare a definitive end to hostilities had been an important consideration of British policy, Britain was ready to normalise relations even while the Argentines maintained that position.

Britain, continued Sir John, wanted to discuss all the issues mentioned by Argentina in its declaration of 17 November, with the exception of sovereignty. In its efforts to improve relations Britain wished to talk about commerce, trade, consular and diplomatic relations, transport and communications and matters relating to fisheries and conservation. If both sides could begin with these practicalities, relations could improve; no progress could, however, be made if everything was held hostage to the question of sovereignty. Sir John concluded: 'We are ready for negotiations. Let us negotiate on all the many matters on which I have no doubt we can agree, and let us leave aside the one question which I know we cannot agree.'

Explanation of Vote

In a separate statement on 25 November explaining Britain's vote against the draft resolution, Sir John said that it called for negotiations on all aspects of the future of the Falkland Islands which the Argentine foreign minister had insisted should include the question of sovereignty. The resolution was therefore not neutral since it opposed Britain's contention that sovereignty should not be discussed. Sir John continued: 'We are prepared . . . to discuss everything but sovereignty. Argentina refuses to discuss anything unless sovereignty is on the agenda. That is the nub of the issue before us. What we are faced with here are two irreconcilable points of view which cannot be wished away by voting for a resolution which supports one side and opposes the other . . . The Argentines have not moved and we have not moved. I suggest that if we are going to improve our relations, we should start step by step and that the Argentines should agree to discuss those many points which they listed in their speech without preconditions.'

ARGENTINE VIEWS

The Argentine foreign minister, Señor Dante Caputo, told the General Assembly that the essence of the problem was the sovereignty dispute over the Islands. The British declaration of 29 October regarding fisheries did not arise from a concern for conservation but from the British desire to expand the exercise of purported sovereignty over the Islands. Moreover, Britain had increased its military fortifications on the Islands in a manner totally out of proportion with the dangers it stated it was seeking to avoid, even though Argentina had, since the inauguration of President Alfonsín, indicated that it would only resort to peaceful methods to obtain 'a legitimate and irrevocable restitution of the Islands'.

On the fisheries issue, Señor Caputo said that Britain was purporting to sit at the same table as Argentina and to negotiate multilateral agreements with countries who had fishing vessels in the area. Thus, under the appearance of the laudable aim of conserving fisheries, Britain hoped to obtain a recognition of purported rights. This was unacceptable to Argentina

[1]On 27 October Britain supported a draft resolution – the result of an initiative by Brazil – declaring the South Atlantic region to be a zone of peace and calling on all states in the area to promote regional co-operation, the protection of the environment, the conservation of living resources and the peace and security of the whole region. It also called upon all states to respect the territorial integrity and independence of every state in the region and to refrain from the threat or use of force there. The exact geographical boundaries of the proposed zone were not defined by the resolution; in his explanation of vote the British representative put on record Britain's understanding that it would consist of the South Atlantic Ocean between Africa and South America not already covered by treaty.

[2]The Argentine declaration expressed willingness to institute negotiations with Britain and to facilitate these by stipulating at a given time a formal cessation of hostilities as part of a process of eliminating the consequences of the 1982 conflict which would bring an end to Britain's military protection zone around the Islands. Argentina also said that it was prepared to solve within the framework of a global negotiation and in accordance with the General Assembly's 1985 resolution all the problems existing between both countries including the sovereignty dispute.

since it would have meant recognising that an illegitimate occupant of Argentine insular territory had the status of a coastal state.

Referring to Argentina's declaration of 17 November expressing willingness to initiate global negotiations with Britain, Señor Caputo stressed that as long as the core problem was ignored, accessory ones could not be solved. The simplest and most practical thing to do was to recognise what was obvious: all Britain's acts sought to assert its purported sovereignty while all Argentine acts sought to recover sovereignty over the Islands.

British-United States Relations

Britain has reaffirmed its support for the United States' negotiating position on arms control and disarmament with the Soviet Union during discussions in the United States between the Prime Minister, Mrs Margaret Thatcher, and the US President, Mr Ronald Reagan, on 14 and 15 November.

The outcome of the Washington talks was discussed at a meeting in Paris between the Prime Minister and the French President, M. François Mitterrand, on 21 November.

Washington Statement

In a joint statement read out by Mrs Thatcher at a press conference in Washington on 15 November, Britain and the United States said that priority had to be given to an agreement on intermediate-range nuclear missiles (INF) with restraints on shorter-range nuclear systems; a 50 per cent reduction over five years in United States and Soviet strategic offensive weapons; and a ban on chemical weapons, all to be subject to effective verification. Both countries also agreed on the need to press ahead with the Strategic Defence Initiative (SDI) research programme which was permitted by the Anti-Ballistic Missile Treaty (see pp 184-5).

The North Atlantic Treaty Organisation's strategy of forward defence and flexible response, the statement confirmed, would continue to require effective nuclear deterrents based upon a mix of systems. 'At the same time, reductions in nuclear weapons would increase the importance of eliminating conventional disparities. Nuclear weapons cannot be dealt with in isolation, given the need for stable overall balance at all times.' These matters would continue to be the subject of close consultation within the Alliance. The President had reaffirmed the United States' intention to proceed with its strategic modernisation programme, including the Trident submarine nuclear weapons system, and had confirmed his administration's support for the arrangements made to modernise Britain's independent nuclear deterrent with the Trident programme (see pp 63-4, 1982).

House of Commons' Statement

Reporting to the House of Commons on 18 November (*Hansard*, Vol 105, No 5, cols 441-2), Mrs Thatcher said that the main purpose of her visit had been to discuss defence and arms control in the light of the Reykjavik meeting (see pp 345-7), and outlined the joint statement (see above).

Other Issues

Mrs Thatcher said that she had also discussed with the President the situation in the Middle East, and, with reference to the British decision to break diplomatic relations with Syria in October (see pp 350-1), had thanked him for the measures the United States had taken against Syria.[1] They had both agreed on the need for fresh impetus to efforts to find a peaceful solution to the Arab-Israeli conflict. Britain also shared with the United States 'the aim of bringing Iran back into better relations with the West and of bringing about an end to the Iran-Iraq war, without taking sides'. Noting that Mr Reagan had reaffirmed that the United States would not pay ransom for hostages, Mrs Thatcher confirmed that this was also Britain's policy. Regarding British policy on supplying weapons to Iran or Iraq, she reiterated that Britain would maintain its consistent refusal to supply any lethal equipments to either side; would attempt to fulfil existing contracts and obligations subject to that overriding consideration; and would continue to scrutinise rigorously all applications for export licences for supply of defence equipment to Iran and Iraq.

On the situation in southern Africa following the death of the President of Mozambique, Mr Samora Machel,[2] the Prime Minister said that Britain and the United States remained ready to contribute to stability and an end to violence in the area. British policy on the Falkland Islands, including Britain's recent decision to establish a 150-mile fisheries conservation zone around the Islands, had also been discussed (see pp 351–2 and 383). The Prime Minister reiterated Britain's refusal to discuss with Argentina sovereignty over the Islands and stressed that the wishes of the Falkland Islanders remained paramount.

In response to a question regarding the United States' adherence to the provisions of the second Strategic Arms Limitation Treaty (SALT II), Mrs Thatcher replied that, although this had not been discussed, the British position was that, as before, they had to be observed by both sides. 'Difficulties will arise if both sides do not observe them and there are accusations against one side.' [Following the United States' decision to deploy the 131st B52 bomber equipped with cruise missiles, in breach of the SALT II treaty, a Foreign and Commonwealth Office spokesman said on 27 November that the British Government had repeatedly made clear its view that the SALT agreements should continue to be observed by both sides. It had recognised US concerns about Soviet non-compliance (see footnote 2, p 347) and had asked the Soviet authorities on many occasions to respond to these concerns. Britain regretted

[1]In addition to recalling its ambassador (see footnote 2, p 350), the United States announced on 14 November new sanctions against Syria, including tighter export controls, the prohibition of official US bank credits, the suspension of a 1947 air agreement and the banning of the sale of Syrian airline tickets in the United States. The staff of the US Embassy in Damascus are also being reduced, high-level visits between the two countries are being eliminated and US oil companies are being advised to end their involvement in Syrian oil operations.

[2]On 19 October, Mr Machel and a number of his government ministers and officials were killed in an aircrash in South Africa, close to the border with Mozambique.

the lack of substantive Soviet response and looked forward to further consultations with the US administration on these and related issues.[1]]

British-French Meeting

The need to maintain effective nuclear deterrence was discussed at a meeting between Mrs Thatcher and the French President, M. Mitterrand, in Paris on 21 November. At a joint press conference at the Elysée Palace afterwards, Mrs Thatcher said that she had given the French President an account of her discussions with Mr Reagan, and they both agreed that the conclusions reached in the United States were a confirmation of the continuing importance of effective nuclear deterrence as a basis of the Alliance's strategy. Regarding the question of a potential involvement of Britain and France in any future process of reductions in nuclear forces, the longstanding conditions of the two governments in any such process remained unchanged, Mrs Thatcher said.[2] Britain and France had also agreed that nuclear weapons could not be dealt with in isolation and that there had to be stable overall balance at all times, which meant that disparities in conventional forces had to be dealt with as well.

Shorter Notes

UNITED NATIONS VOLUNTARY FUNDS

Britain has announced pledges totalling £39·35 million for the voluntary funds of the United Nations system in 1987. They include £21·5 million for the United Nations Development Programme, which will help to cover the costs of sending experts to work in developing countries and pay for training, consultancies and equipment; £6·5 million for the United Nations Children's Fund, which is concerned chiefly with mass health campaigns, maternal and child welfare, child nutrition and education; and £5 million for the United Nations Fund for Population Activities, which promotes awareness of, and research into, the relationship between population and economic and social development, provides expert advice on population policy formulation, and supports family planning, education and training programmes. The United Nations High Commissioner for Refugees is to receive £6·3 million for its programme of refugee assistance, including £2·8 million of food aid for programmes in Sudan. The United Nations Development Fund for Women has also been promised £50,000.

These voluntary contributions to funds giving technical assistance and humanitarian relief will be additional to the share of the budgets of the United Nations and its specialised agencies which Britain pays on a scale of assessment related to members' national income. In 1985 Britain's total contribution to United Nations development agencies and to technical co-operation activities by all United Nations agencies amounted to almost £84 million.

Source: Overseas Development Administration press notice, 14.11.86.

AID TO PAKISTAN

Britain is to provide a £15 million grant to Pakistan in support of its programme to improve electricity supply, which forms part of a policy worked out with the World Bank and the Asian Development Bank designed to strengthen the energy sector. The grant was announced on 26 November by the Minister for Overseas Development, Mr Christopher Patten, during a visit to Pakistan and is additional to a grant of £16 million for power development announced in December 1985. The new grant will be used mainly to develop transmission and distribution systems designed to meet increased demand for power. During his visit, Mr Patten also concluded an agreement to permit the Commonwealth Development Corporation (see p 191) to extend its operations to include Pakistan.

Britain's aid to Pakistan, which amounted to £16·6 million in 1985 (see p 267) aims to support infrastructural development, especially in agriculture, and is directed towards the poorest sections of the community. In addition to assisting the development of power supply, on which much of Pakistan's social and economic progress depends, Britain is contributing £28 million towards a major agricultural drainage project, financed jointly by Pakistan, the World Bank and the Asian Development Bank together with five other donors (see p 394). The project, which is expected to take eight years, will improve crop yields and halt environmental degradation on over a million acres of farmland on the left bank of the River Indus in Sind Province by tackling the waterlogging and salinity problems caused by a gradual rise in the water table. Surface and subsurface drains will be constructed together with a 120-mile (193-km) spinal drain to carry saline water, drained from the land, to the sea. The British contribution will provide maintenance equipment, workshops and special dual-purpose tubewells capable of extracting fresh groundwater for irrigation as well as saline water for discharge. Britain will also assist in monitoring the socio-economic impact of the project on the 1 million people in the area who stand to benefit.

Sources: Overseas Development Administration press notices, 26.6.86 and 26.11.86.

AID TO SRI LANKA

Britain is to provide a £16·5 million grant to Sri Lanka towards the cost of a major hydro-electric project. In

[1]Earlier, in May 1986, the United States had warned the Soviet Union that unless it complied with SALT II constraints, US decisions regarding the structure of its strategic forces would, from November, be based on the nature of the threat posed by Soviet forces and not on standards contained in SALT II which had been undermined by Soviet non-compliance.

[2]That is, if the Soviet and the United States strategic arsenals were to be very substantially reduced, and if no significant changes occurred in Soviet defensive capabilities, Britain would want to review its position and to consider how best it could contribute to arms control in the light of the reduced threat (see p 179).

addition, the Export Credits Guarantee Department is guaranteeing a £24 million loan in connection with the project.

The 120-MW Samanala Wewa Hydro Electric Project, situated on the Walawe Ganga river some 100 miles south-east of Colombo, will comprise a rockfill dam, a power tunnel and a power station equipped with two 60-MW turbine generators. Made under the Aid and Trade Provision, through which financial support is given to British contract bids for developmentally sound projects viable in economic, financial and technical terms, the British grant is supporting contracts worth over £66 million awarded to three companies – Balfour Beatty Construction International Ltd, GEC Turbine Generators Ltd and consulting engineers, Sir Alexander Gibb and Partners. The British companies will construct the power tunnel and surge chamber, the power station building and the generators and switch yard. The remaining work will be carried out by Japanese companies, supported by aid from the Japanese Government – this being the first British-Japanese collaboration on a major aid scheme – and by the Sri Lankan Government. In addition, the Commonwealth Development Corporation (see p 191) has agreed a loan of £15 million to the Sri Lankan electricity authority which will be used for British civil and engineering works. Construction on the project is expected to start early in 1987 and could be completed by 1991. Its total value is around £288 million, making it the second largest dam project in Sri Lanka. British aid to Sri Lanka, which amounted to £17 million in 1985, also assisted in the construction of the Victoria Dam and Hydro Electric Project, which was completed during the year (see p 268).

Sources: Overseas Development Administration press notice, 1.12.86, and Department of Trade and Industry press notice, 2.12.86.

Banking Bill

The Banking Bill received an unopposed second reading in the House of Commons on 28 November. The main provisions would increase the powers of supervisors, introduce stricter requirements on the reporting of information to supervisors, and establish a unified system of authorisation for banking institutions in place of the existing two-tier system. A review body is to be set up to investigate a number of matters, not dealt with in the Bill, relating to banking practices.

The Bill is designed to provide a statutory basis for improvements in the regulation of banking institutions that were identified in the White Paper, *Banking Supervision*, published in December 1985 (see pp 11-12, 1986). The White Paper, in turn, had arisen from a report made by Treasury and Bank of England officials on the working of supervisory arrangements, following the collapse of Johnson Matthey Bankers in 1984 (see pp 19 and 238-9, 1985).

Minister's Speech

Introducing the Bill the Economic Secretary to the Treasury, Mr Ian Stewart, said that the Bill was primarily devoted to supervision in the interests of depositors (*Hansard*, Vol 106, No 13, cols 540-86).

The fundamental purpose of the Bill was to introduce a number of policy changes which were desirable either to take account of developments in the banking sector or to remedy defects in the existing legislation, the Banking Act 1979 (see pp 326-7, 1978). The Johnson Matthey Bankers case in particular had shown the need to strengthen the powers of supervisors and impose more exacting duties on supervised institutions.

Another purpose of the Bill was to update and improve the arrangements for authorisation and supervision of banking institutions in the light of experience gained since 1979.

Two further purposes of the Bill were expected to cope with the rapid changes that were taking place in market behaviour and structure in the financial services industry as a whole, not just in banking. The first was to make the legislation flexible. Accordingly, the Bill provided for the definition of 'deposits' to be adjusted to meet changing circumstances, in the same way as the definition of 'investments' in the Financial Services Act 1986 (see pp 51-4). The second purpose was to ensure that the supervisory regime for the banking sector was compatible with the systems established by the Financial Services Act for the investment and securities industry and by the Building Societies Act 1986 (see pp 12-14). Alluding to London's leading position among European financial centres, the growth of the volume of transactions in its markets, the increasingly international dimension of those markets, and the coming into being of global markets with continuous trading around the clock, Mr Stewart said it was important that Britain should have comprehensive legislation in place for the regulation of financial institutions. The Bill therefore made provisions consistent with the other two pieces of legislation with regard to the role of auditors, disclosure of information between supervisors and the application of new offences and penalties.

Outline of Main Changes

The Bill provided for a new Board of Banking Supervision to advise the Bank of England in the exercise of its powers. The majority of the Board's members would be independent of the Bank. The distinction between 'recognised banks' and 'licensed deposit-takers' set up by the 1979 Act would be ended, together with the separate systems of supervision and regulation applying to each.[1] The provision of information to the supervisory body would be subject to statutory reserve powers, which had not been the case before, and there would be specific requirements in relation to the notification to the supervisors of large exposures (that is, bank loans constituting a significant proportion of an institution's total loans). The legal constraints on dialogue between supervisors and auditors would be removed; and the submission by an institution of incorrect information would be punishable by a new offence of misleading supervisors.

In other respects, the Bill followed the main provisions of the 1979 Act, Mr Stewart said. These included arrangements for deposit protection, the control of advertising, and arrangements for the revocation of authorisation and exemption from it. Apart from proposing a new form of conditional authorisation and making some modifications to the appeal system, the Bill retained the substance of the technical provisions of the earlier Act.

For the remainder of his speech the minister concentrated on the three main areas of change: the position of the supervisor, the arrangements relating to authorisation and the provision of information.

Supervision

The Johnson Matthey Bankers affair had revealed the need for some changes within the Bank of England itself, which, under the 1979 Act, was entrusted with

[1] 'Licensed deposit-takers' include smaller banking institutions providing a range of services too narrow to qualify them for recognised status, and the majority of the finance houses (institutions specialising in consumer credit).

the supervision of the banking sector. The Bank had therefore introduced several changes in the organisation of its banking supervision division, the division's staff numbers had been increased by more than 60 per cent, and the number of institutions for which each manager had responsibility had been reduced. More frequent supervisory visits to institutions would consequently be possible, and a programme of inward and outward secondments to strengthen the commercial experience of supervisory staff had been introduced.

The Government had considered whether it would be sensible to establish a separate supervisory body for the banking sector. However, given the knowledge and experience of banking supervision built up within the Bank of England, it had concluded that the Bank should continue to be the supervisory authority in this area, but that the system should be strengthened by introducing an element of independent advice and judgment into the process.

Therefore, the Bill established a new Board of Banking Supervision, providing for advice to be given to the governor of the Bank of England and his senior colleagues on supervisory matters. The Board would consider both individual cases and more general matters of supervisory policy. The rules for the Board would require that its outside members were always in a majority at its meetings and the Board would report to Parliament through the annual report of the Bank of England. If, in any case, the Bank decided not to follow the advice of the independent members, the Board would be required to notify the Chancellor of the Exchequer.

At the international level there had been greater discussion between the supervisory authorities in different countries in the last few years than ever before. Nothing in the Bill cut across current thinking on international co-operation.

Authorisation

Subject to the abolition of the two-tier system, the principles and most of the procedures relating to the authorisation of deposit-taking institutions would remain substantially the same as they were in the 1979 Act. An institution would have to demonstrate that its management was not concentrated in the hands of one person, that its directors and managers were fit and proper people to carry out their functions, and that the business was generally conducted in a prudent and responsible fashion. All institutions meeting the criteria set out in the Bill would fall into a single category of 'authorised institutions' and be subject to the same system of supervision.

The 1979 Act had concentrated the Bank of England's statutory powers of supervision on licensed deposit-takers, while the supervision of recognised banks had continued to operate more informally. One of the problems of the two-tier system had been that it encouraged over-rapid diversification and expansion of balance sheet totals in order to qualify an institution for recognition in the higher tier. Another difficulty had been in the use of banking names and descriptions, which since 1979 had been available only to recognised banks. Under the Bill, the only requirement for the use by an authorised institution of the word 'bank' in its name would be a minimum paid-up equity capital or its equivalent of £5 million, while all authorised institutions would be allowed to describe themselves as bankers. For authorisation, the minimum qualifying capital would be £1 million. Institutions already authorised under the 1979 Act would retain their authorisation.

In order to increase the Bank of England's flexibility in dealing with cases where it was dissatisfied with the position of a particular institution, it would be able to impose conditions on the authorisation without having to go through the full process of revocation. The Government had also decided that the appeal system should be modified, so that decisions of the appeal tribunal would in future be binding, rather than take the form of advice to the Chancellor of the Exchequer; and that the right of appeal would be extended to individuals whose fitness and properness to be bankers might be questioned by the supervisors.

The Bill also provided a new power enabling the Bank of England to block a proposed merger or takeover on prudential grounds. Anyone proposing to acquire, or substantially increase, a controlling interest in a deposit-taking business would have to give adequate notice to the Bank of England, which would then have the power to object to the transaction if the intended controller did not meet its prudential standards. Failure to notify the Bank under such circumstances would be a criminal offence, and powers were included in the Bill for restrictions to be applied to the shares in question if these procedures were contravened.

The Bill itself contained no reciprocity provisions, but this was because the Financial Services Act already covered deposit-taking businesses as well as investment businesses in this respect. Under that Act the Government would have the power to refuse, restrict or withdraw the authorisation of a foreign-owned deposit-taker, if equivalent opportunities were not available to British firms in its country of origin in either the banking or the securities sector.

Under the 1979 Act the Bank of England's powers to investigate cases of suspected illegal deposit-taking were virtually non-existent. The Bill greatly strengthened the powers of the supervisors in this area and, because of the ease with which evidence could be destroyed, it was proposed that there should, as a last resort, be a power of entry for this purpose. The Bill also contained new provisions to help depositors recover funds held by illegal deposit-takers.

Information

The supervisory process depended upon relevant, accurate and timely information being provided by institutions to the Bank of England, Mr Stewart said. Although most of such information would continue to be supplied on a voluntary basis, the Bill, unlike the 1979 Act, enabled the Bank to obtain the necessary information under statutory powers from all authorised institutions, if need be on a regular basis, and backed up by criminal penalties for non-compliance. The supervisors would also have a right of entry to obtain such information on the spot, where a request to provide it had not been complied with, or, in exceptional cases, if it was suspected that papers might be tampered with or destroyed.

Large exposures to the same or connected borrowers were a characteristic feature of banking problems. The Bill, therefore, contained new proposals requiring exposures above 10 per cent of an institution's capital base to be reported to the supervisors soon after the event, and the supervisors had to be notified in

advance before an exposure exceeding 25 per cent of the capital base was undertaken. Criminal sanctions would attach to deliberate non-compliance with these provisions, in addition to the new criminal offence of knowingly or recklessly providing any information to the supervisors which was materially false or misleading.

There was, and would continue to be, an obligation of secrecy on supervisors and those who acquired supervisory information. As in the 1979 Act, it would continue to be a criminal offence to break this trust, but the Bill contained new provisions to enable information to be disclosed in strictly controlled ways to other supervisors. This was essential if supervisors in the new framework were to be able to cope adequately with the affairs of financial conglomerates and with the global nature of modern financial and banking services.

The provisions concerning auditors were parallel to those contained in the Building Societies and Financial Services Act. The Bill provided that auditors and reporting accountants might communicate information about their client company to the Bank of England without breaching any obligation of confidentiality or loyalty which they would otherwise owe to their clients. The Government hoped that the accountancy profession would bring forward satisfactory rules or guidance specifying the circumstances in which such information should be communicated, but the Bill contained a reserve power for the Treasury to bring forward regulations imposing such a system if the profession failed to do so.

Opposition and Back-bench Views

Speaking for the official Opposition, Dr Oonagh McDonald said that two areas of concern arising from the Johnson Matthey Bankers case were whether the Bank of England's supervisors would be able to detect large-scale misreporting; and whether banks themselves would be able to detect their degree of exposure to connected borrowers. The Bank of England needed to ensure that banks' internal control systems were capable of picking up such connections.

Dr McDonald was joined by a Liberal Party spokesman, Mr David Penhaligon, and by a number of back-bench MPs, including Conservative Party members, in expressing concern about the possibility of foreign takeovers of British banks. The Labour Party wished to be sure that no takeovers would be permitted by foreign firms from countries where British institutions were denied access to financial markets. It was suggested by several speakers that Japan might prove to be a case in point. Replying for the Government, Mr Stewart said that a range of powers would relate to foreign takeovers. First, they were subject to the approval of the Monopolies and Mergers Commission, which had a duty to take the public interest into account. In the second place, the Bill enabled the Bank of England to block a takeover if it was not satisfied with the credentials of the potential new owner. And thirdly the provisions on reciprocity in the Financial Services Act included the banking sector in its coverage.

Dr McDonald and Mr Penhaligon were also unhappy about the proposals relating to auditors. Dr McDonald said that an auditor would experience a conflict of interest if employed by a large accountancy firm which both provided auditors for and acted as management consultants to the same bank. Mr Penhaligon suggested that auditors might come to feel that the only way to protect themselves was to report every possible problem to the supervisors, and overwhelm the system. In reply Mr Stewart said that a supervised institution would usually be directly represented at any discussion between an auditor and a supervisor. It would only be in exceptional cases, perhaps involving suspected fraud, where there would need to be direct dialogue between auditor and supervisor without the knowledge of the institution.

From the Conservative back-benches, Mr Anthony Nelson expressed concern about whether the proposed Board of Banking Supervision would be sufficiently independent of the Bank of England. The latter was the central bank and the Board would be located within it. It was clear that the more separate a supervisory authority was from the central bank, the more accountable it would be to Parliament. Replying, Mr Stewart said that the Bill deliberately provided that the majority of the members of the Board would be outside members in a position to exercise independent judgment.

REVIEW OF BANKING SERVICES

The Government announced a review of banking services on 14 November. Answering a parliamentary question (*Hansard*, Vol 105, No 3, written answers, cols 8-9), Mr Stewart said that while the laws governing the mechanics of banking had stood up well to the test of time, the nature of banking had changed out of all recognition since the main statutes were drafted. The Government was therefore setting up an independent review body, in co-operation with the Bank of England, to consider the law on banking mechanics and practices, taking into account technological and other developments, including electronic funds transfer. Among the objectives of the review would be to examine the 'availability, reliability, security and efficient and effective operation of payment, remittance and other banking services'.

The review body will prepare a report and may, if appropriate, recommend the introduction of codes of good practice and make proposals for legislation. The body is expected to start work early in 1987 and to take a year or a little longer to complete its review.

Coal Industry Bill

The Coal Industry Bill, designed to give all employee organisations within the coal industry the chance for fair representation and to help the industry to achieve financial viability, has received a second reading in the House of Commons.

The Bill received its second reading in the House of Commons on 25 November (*Hansard*, Vol 106, No 10, cols 151-224) by 263 votes to 173. It provides for all employee organisations within the coal industry to be given rights, broadly proportional to their membership, in the management of various miners' welfare organisations, trusts and superannuation schemes. It

gives the Secretary of State for Energy powers to continue grant aid to the industry. It also changes the name of the National Coal Board (NCB) to the British Coal Corporation.

Government View

Opening the debate, the Secretary of State for Energy, Mr Peter Walker, said that the Bill provided for the continuation of the Government's powers to pay deficit grant under the Coal Industry Act 1980 (see pp 222-3, 1980) for two years, by which time British Coal was expecting to break even. In addition, he said that the present redundant mineworkers' payments scheme would not be renewed after March 1987; responsibility for future redundancies would be for British Coal. There would also be powers to pay grants towards restructuring, maintenance of concessionary coal and social welfare provisions. The powers would initially apply to 1987-88 and 1988-89, but might be extended for another three years. 'The basis of the Bill is to try to encourage the industry and to see that it is successful over the next three years in improving its viability and in improving performance in production and marketing.' The change of title to British Coal was more appropriate for such activities.

The Bill's financial provisions would allow British Coal to embark on a large-scale investment programme – £2,000 million over the next three to four years. This would ensure that reorganisation could take place and that there would be no more compulsory redundancies.

Mr Walker paid tribute to the industry's present high performance: miners had earned 16 per cent more in bonus payments in 1986-87; average earnings had increased at three times the rate of inflation; and very few days had been lost because of industrial disputes. Productivity was 50 per cent higher than in 1978-79 and the industry was 'now better able to compete with other forms of energy and therefore better able to get a greater share of the market'.

Turning to the clauses dealing with representation, the Secretary of State said that they were 'needed to ensure that all those employed in the industry will have fair rights of representation. . . . Since the strike those rights have been denied to a very large number of miners throughout the country'.[1] The coal industry's previous conciliation machinery had had to be changed. New machinery was being discussed with the unions.

The Bill dealt with three areas in which powers were to be taken. One clause would make possible, after application from an employee organisation, the amendment of charitable trusts related to the coal industry, if the members of the organisation constituted a substantial proportion of those who might benefit under the trust. Another clause would empower the Secretary of State to amend the constitution of a coal industry social welfare body should a substantial proportion of British Coal employees not enjoy full participation in that body. A third clause would give the Secretary of State similar powers in relation to coal industry superannuation schemes.

[1]As a result of disagreements arising out of the coal dispute of 1984-85 (see pp 47-8 and 77-8, 1985), members of the National Union of Mineworkers (NUM) in Nottinghamshire broke away to form a new union. Its merger with the NUM (South Derbyshire area) and the Colliery Trades and Allied Workers Association was registered by the Certification Officer for Trade Unions and Employers' Associations in December 1985, as the Union of Democratic Mineworkers (UDM).

Opposition Views

Opposing the Bill, the chief Opposition spokesman on energy, Mr Stanley Orme, said that it was inappropriate for the coal industry and would weaken Britain's ability to be self-sufficient in energy. It would cause further contraction in the industry, which had since March 1985 lost 55,000 jobs, including skilled, experienced and badly needed personnel who had opted for redundancy; and in which 59 pits had been closed, merged or were under notice. It ignored the effects of low morale caused by the loss of jobs, omitted provisions for the reinstatement of miners dismissed during the dispute and set the scene for privatisation. He also said that the Bill's financial provisions needed close examination. For the Liberal Party Mr Malcolm Bruce said that all trade unions should be treated equally and recognised to be representative of their members. He regretted the cost to the industry caused by the prolonged coal dispute. Although the industry was not sustaining the losses it incurred during the dispute, it was still not free from public funding.

Government Response

In his reply Mr David Hunt, Parliamentary Under-Secretary of State for Energy, said that the Bill was vital for the future of the coal industry. It 'strengthens the industry's ability to withstand the competitive pressures of energy markets and enables this great industry to look forward to the future with more confidence and in a much healthier state'. He disputed the claim that increased productivity had affected safety standards, and stressed the industry's improved safety record – from 72 fatalities in 1978-79 to 27 in 1985-86. He also stressed the importance of exports and repairing the damage done to Britain's coal exporting advantage by the dispute. British coal had to be made competitive: 'It is no use urging companies to use British coal if they can buy a similar grade from abroad at a lower price.' In answer to the charge that the industry had contracted, he pointed out that there had been a total investment of £5,000 million in the industry since 1979, in addition to the £2,000 million already mentioned.

Petroleum Bill

The Petroleum Bill, which includes provisions governing the abandonment of offshore oil and gas installations and pipelines, was given an unopposed second reading in the House of Commons on 24 November.

Main Provisions

Under the first part of the Bill the Secretary of State for Energy would be able to require those responsible to draw up programmes for his approval for the abandonment of offshore installations and submarine pipelines and would be able to require evidence that funds would be available to meet abandonment obligations. The Secretary of State would be able to approve or reject a programme, and, in the latter case, or where a

programme has not been submitted, would be empowered to draw up an abandonment programme. The Bill also provides for remedial action to be taken should an approved programme not be fully complied with and for the introduction of regulations on abandonment – for example, on standards and safety, anti-pollution requirements and inspection checks on work carried out on approved programmes.

The second part of the Bill updates the arrangements for collecting the royalties on oil. (Licence royalty is broadly 12·5 per cent of the value of oil and gas produced.)

The third part of the Bill proposes that most offshore installations would automatically receive the benefit of a 500-m (1,641-ft) safety zone (whereas at present each safety zone has to be specified by Order); and allows the Secretary of State to require an onshore pipeline owner to have funds available so that any liability resulting from pipeline damage may be met.

Government View

Opening the debate in the House of Commons (*Hansard*, Vol 106, No 9, cols 27-68), the Minister of State at the Department of Energy, Mr Alick Buchanan-Smith, said that abandonment was not an immediate problem. The first fields were not expected to cease production before the early 1990s. But planning at this stage was vital, not only for development activities, but also for the other challenges to be faced, including the disposal of installations and structures no longer needed.

There were 150 oil and gas installations on the United Kingdom Continental Shelf, and the number would grow as the industry developed. Abandonment would pose a variety of problems, especially concerning the giant installations in the northern North Sea, where huge concrete and steel jackets were placed in water depths of up to 185 m (606 ft). Steel structures in deeper waters could weigh up to 58,000 tonnes, while concrete structures (about ten in the North Sea) could weigh up to 650,000 tonnes. The complete removal of all structures now in place could cost about £6,000 million at 1984 prices, with the main problems arising from the removal of structures in deep waters. By introducing the Bill now the Government hoped to ensure that the oil companies would be fully prepared for their financial obligations.

The Government had sought to strike a balance between the different interests – those who used and would be using the sea for years to come – and to minimise the costs of abandonment which would ultimately fall on taxpayers. The relatively flexible framework which had been chosen for the Bill would enable the Government to respond to whatever might be decided internationally. In introducing the Bill, the Government was 'ahead of any other country that faces these challenges'.

Construction Overseas

British firms associated with the construction industry continue to be active around the world. The value of work done by construction and civil engineering companies during 1985-86 was £2,200 million compared with £2,500 million in the previous year. The estimated capital value of work being undertaken by consulting engineers at the end of 1985 was some £51,000 million. Gross foreign currency earnings by chartered surveyors in 1985 is estimated at £99 million.

This article, describing overseas building and related professional work in 1985-86, is based on articles contributed to the 29 August and 31 October issues of *British business*.

Building and Civil Engineering

New contracts obtained by British construction companies overseas in 1985-86 were worth £1,800 million, compared with £2,500 million in 1984-85. Most of the decline occurred in the United States, the Gulf states, Egypt, Ghana and the Congo. There were some offsetting increases, however, in Indonesia, Nigeria and Spain. The effects of the losses will show up as a reduced amount of work done in later years. The value of work done in 1985-86 was already showing

Construction Work Overseas
Years ended 31 March

£ million (current prices)

Area	Value of contracts obtained		Value of work done		Value of work outstanding	
	1984-85	1985-86*	1984-85	1985-86*	1984-85	1985-86*
European Community	85	140	88	79	55	116
Rest of Europe	11	28	14	23	9	15
Middle East in Asia	543	222	700	585	749	380
Middle East in Africa	255	249	48	81	259	413
Rest of Asia	254	200	306	261	332	301
Rest of Africa	341	257	482	381	521	399
The Americas	746	473	611	594	1,102	980
Oceania	221	183	237	199	160	144
All countries	2,456	1,752	2,485	2,203	3,187	2,748

*Provisional.

a decline, in fact, from £2,500 million in the previous year down to £2,200 million. Losses here were mainly in Hong Kong, Malaysia, Iraq, Saudi Arabia, Nigeria, Australia and the West Indies, against gains in Spain, Egypt, Singapore and the United States. Work outstanding at the end of 1985-86 was valued at £2,700 million.

The table below shows the value of construction work overseas in the latest two years. According to value of work done, the top ten companies accounted for about 90 per cent of overseas construction activity by British companies in 1985-86.

The text that follows contains a number of representative examples of construction projects that are reported more fully in *British business*.

The 700-MW Shajiao 'B' coal-fired power station on the Pearl River in Guangdong Province, represents Costain Group's first major project involvement in the People's Republic of China. The partnership, Hopewell Costain – established during December 1984 in Hong Kong – is providing project management expertise for the project overall and for the civil engineering element. Slipform Engineering, a subsidiary of Hopewell Holdings, is a member of the consortium which is designing and constructing the £300 million project for Hopewell Power (China). Preliminary earthworks commenced early in 1985. These involved a 2 million cubic m (71 million cubic ft) excavation and reclamation of a working platform in the Pearl River. The first excavations for the powerhouse foundations and underground structures began in September 1985 and by August 1986 the structural steelwork for the turbine hall and boiler for the first 350-MW set was being erected, while foundations for the second set were nearing completion.

Swire Haden received orders for work in two of the special economic zones created by the People's Republic of China: in Zhuhai, a £2·5 million mechanical and electrical contract for a harbourside commercial development; and in Shumchun, electro-mechanical and fire protection installations worth £400,000 at the China Sun Oil plant.

British contractors have been awarded further contracts in connection with the extensive Greater Cairo wastewater project (see p 269 and p 313, 1985). The joint venture of Tarmac Construction International, Balfour Beatty, Cementation International, Edmund Nuttall and the Egyptian-based Arab Contractors, have been awarded a £96 million contract involving the construction of 3·25 km (2 miles) of 5 m (16 ft) internal diameter tunnels, 13 shafts up to 10 m (33 ft) in diameter and 28 m (92 ft) deep, and miscellaneous works such as smaller tunnels and ancillary surface and underground structures. Work commenced in March 1986 with a 39-month contract period. The same joint venture is engaged in work between Ameria and Souk el Samak, valued at £94 million.

In a joint venture, for the Ministry of National Defence, Algeria, Lilley Construction is involved in the design and construction of military accommodation.

Costain Process signed a contract valued at over £20 million with Petroleum Pipelines Company in Egypt for the design, engineering, supply, construction and commissioning of pumping stations, receiving stations and associated telemetry and control systems for oil and related products. The pumping stations will be installed at Ras Shokir, Tebin and Assuit and the receiving stations at Beni Sewef, El Menya and Assuit. The telemetry and control systems will cover these installations and also existing facilities at Mostorod and in the lower Delta Region. The client, a subsidiary of Egyptian General Petroleum Corporation, awarded the project to Costain Process after an international competition.

Marples International were awarded a £10 million contract to construct an airport in Cameroon, west Africa. The order includes construction of a 2,500 m (8,200 ft) runway able to accommodate Boeing 737 aircraft, a control tower, radio room, fire station and generating station. It also includes provision of navigational and control equipment and runway lighting. The new airport, one of several regional airports planned in the country, is at Bafoussam, provincial capital of the Western Province.

The Government of Oman awarded a £70 million contract to the joint venture of Balfour Beatty Construction International and the Oman Building and Contracting Company of Salalah for the Mughsayl to Furious Road in the southern province of Oman. The work, to be completed in 36 months, consists of 78 km (48 miles) of single carriageway. On the sections of road where there is a steep gradient – up to 11 per cent – there is an additional climbing lane 3 m (10 ft) wide. There are two wadi crossings near the east end of the project and 68 pipe and box culverts to be constructed. Earthworks form a major part of the contract and there are nearly 7 million cubic m (250 million cubic ft) of rock excavation to be carried out.

Young Austen and Young International of Rickmansworth are working on the Sultan Qaboos University site in Oman. They have a £60 million joint venture contract for all building services engineering at the university and have commenced work on a £20 million contract for the design and installation of all building services at the new university teaching hospital.

As part of a 10-year road development plan for Dubai, Laing Emirates has been awarded an £11 million contract to construct a two-level interchange at Al Nhada Roundabout on the Dubai/Sharjah road. Work will include excavation of 141,000 cubic m (5 million cubic ft) of material, the majority of which will be below the existing water table, and construction of a reinforced concrete underpass and two reinforced concrete overbridges which require 45,000 cubic m (1·6 million cubic ft) of concrete.

Working with local joint venture partners Cybarco, the civil engineering division of Shand is to construct the 110-km (68-mile) Cyprus southern conveyor pipeline from Kouris Dam, north-east of Limassol, to Akhna Dam, east of Larnaca, under an £8 million project. The contract for the Cyprus Government is to be completed in late 1987.

Cementation International are constructing a £23 million hotel on Grand Cayman, which will incorporate a range of leisure and recreational activities. The hotel is designed in a colonial style with the grounds and water features providing a tropical park landscape.

Taylor Woodrow Construction Corporation, of New York, have been awarded a £10 million contract by Dover Park Development Corporation to be general contractor for the construction of a 16-storey office tower in Hamilton, Ontario, Canada. Work on the building, which will be the new headquarters of the Canadian Imperial Bank of Commerce, started in March 1986, with completion due in June 1987. The 23,000 sq m (250,000 sq ft) building will have two

levels of basement car parking and a reinforced concrete frame with glass curtain walling externally. The entrances and internal lobbies will be clad in granite.

Bovis International is managing contractor for a 150-room, luxury hotel at Quinta do Lago in the Algarve, Portugal. Construction started in March 1986 and the hotel will be complete in the autumn of 1987. The cost of the project is in the region of £7 million. Facilities will include indoor and outdoor swimming pools, a gymnasium, health centre, sauna, squash courts, restaurant, coffee shop and bars.

Architects

There are many British architects working on projects throughout the world and a number of examples are given below of work undertaken by members of the Royal Institute of British Architects. The Institute's Clients' Advisory Service is able to assist clients in finding architects with the skills and resources to suit their requirements.

The John S. Bonnington Partnership has continued to work in the field of wildlife planning with designs for a children's zoo, education centre and free-flight aviary at the Zoological Gardens for the Municipality of Doha.

Brewer Smith and Brewer Gulf's work for the Dubai Police Force continues with the construction of a new residential training school which comprises 22 buildings, including an Olympic-sized swimming pool, an indoor rifle range and a mosque.

During the past year, Omrania has been working on several major projects in Saudi Arabia. Largest of these is the new headquarters of the Gulf Corporation Council, which is now under construction in Riyadh. The complex includes three basic building elements: secretariat, conference centre and secretary general's residence, all of which are connected to a landscaped plaza.

Shankland Cox, in joint venture with the local practice of Mimar, was appointed in 1981 as architect for the World Bank Fourth Education Project in Jordan. The project, which includes the design and construction of new colleges and technical schools, and extensions to existing schools, was completed in 1986.

In Cameroon John Snellgrove Associates Project Management has drawn up proposals for a hotel project in Douala.

James Cubitt and Partners have started work on the master plan for Moi University at Eldoret, Kenya, and a commission has also been received by James Cubitt Architects Pty Ltd, Queensland, for a master plan for a privately funded university.

John Clark Associates was appointed by St Martins Property Corporation to present ideas in collaboration with a German architect for the refurbishment and extension of the Hamburger Hof Shopping Centre in Hamburg, Federal Republic of Germany.

The Halpern Partnership, in association with Emery Roth & Sons of New York, is involved in several schemes in the United States and China. In New York the company has completed Manhattan Tower, an office block for the London & Leeds Corporation, and has been instructed on the Japanese Centre in Manhattan, consisting of a hotel, offices, shop and office block on Fifth Avenue. Other projects include instructions as design architects for a 511,000 sq m (5·5 million sq ft) China World Trade Centre in Peking.

The John R. Harris Group continues to be active in Hong Kong, where the structure for the 1,606-bed Tuen Mun District Hospital has reached nine of the 11 storeys and where the Caritas Hospital new 20-storey north wing extension is also under construction. Work on site is nearing completion on the first phase of the residential and commercial development in Zhuhai, one of China's special economic zones.

Hong Kong projects in hand by the Llewelyn-Davies Weeks partnership include the construction of an ultra-clean semi-conductor factory, which is now nearing completion, and design consultancy for the Hong Kong Museum of Art to be built in Tsimshatsui.

Robert Matthew, Johnson-Marshall (SEA) and ML Tri Devakul were appointed in 1985 for the new conference complex for the United Nations Economic and Social Commission for Asia and the Pacific, to be built next to the present United Nations Secretariat in Bangkok, Thailand.

In Bangladesh, Culpin Planning is preparing proposals for the upgrading and redevelopment of sections of the oldest area of Dhaka, including recommendations aimed at strengthening the urban management capacity of the relevant public sector agencies.

Consulting Engineers

The estimated capital value of work being undertaken outside Britain by members of the Association of Consulting Engineers at the end of 1985 was £51,321 million, compared with some £50,000 million a year earlier. The value of newly commissioned work reported by the Association's members during 1985 was double that of the previous year.

Only a selection of projects is described below. Fuller details are available in the Association's annual publication listing overseas work entrusted to its members.

A major contract to provide consulting services for a large agricultural drainage project in Pakistan was announced during 1986 (see p 386). British consultants, working in association with two Pakistani practices, will support the country's Water and Power Development Authority and the Sind Departments of Irrigation and Agriculture in implementing a project to attack waterlogging and salinity problems affecting a significant part of Sind Province. An eight-year project to create a comprehensive drainage system for 560,000 hectares (1,384,000 acres) of the Province is planned.

In the People's Democratic Republic of Yemen work started in January on a feasibility study followed by detailed design and preparation of contract documents for a project intended to provide improved drinking water supplies for the town of Dhala and 50 villages.

British consultants are undertaking a feasibility study into the manufacture of spare parts for the Middle East's textile industries. As oil-related industries decline, textiles are seen as a major area of potential exports from the Middle East, but manufacturers are currently heavily dependent on imported spares; the study, funded by the Arab Industrial Development Organisation, will examine the possibility of establishing local plants to manufacture them.

Power stations and electricity transmission systems are major elements in engineering consultancy work. In December 1985, Princess Anne opened the new Khartoum North power station in Sudan, a 66-MW oil-fired steam turbine plant partly funded by Britain's

Overseas Development Administration, with design and project management by British consultants.

The growing importance attached to protecting the environment is demonstrated by a British consultancy project for risk assessment of a large petrochemical complex at Baroda in India. This includes a hazard analysis to determine the consequences of accidental releases of chemicals, together with upgrading of the plan for emergencies.

Hotels feature prominently in urban development work. In China, a British practice is the consulting engineer for the structure of a 42-storey aluminium-clad hotel – the Jing and Hilton – due for completion next February. In addition to the 800 guest rooms in the tower, there will be function areas, a swimming pool, a sports complex, restaurants and other facilities in a five-storey podium.

In the transportation sector, British consultants have devised the toll system which will be employed on the Kuala Lumpur-Singapore expressway, with toll plazas at each interchange, and will supervise installation of the system ov r the full length of the expressway.

Other British consultancy involvements with transportation projects world-wide include a bus/rail interchange in Spain, a feasibility study for a bridge linking Europe and Africa across the Strait of Gibraltar, and two highway studies in Sierra Leone financed by the Islamic Development Bank.

In Mexico planning studies have been undertaken for the ports of Lazaro Cardenas and Altamira.

In Houston, Texas, a British firm is engineering consultant for an imaginatively designed art gallery intended to house the Menil Collection. One of the building's features is an unusual roof design to maximise entry of natural light.

Surveyors

From a recent survey of the overseas earnings of chartered surveyors, gross foreign currency earnings in 1985 were estimated at £99 million, £8 million more than in the previous year. Members of Britain's Royal Institution of Chartered Surveyors are at work in over 140 countries. Again, only a small selection of current projects is described below. Details of the services supplied by the Institution's members are published in the *RICS Directory of International Practices*.

In a cost planning project in the United States, chartered quantity surveyors MMP International Inc. acted as cost managers for the £54 million INTELSAT project in Washington, DC.

One major property development project in the Paris market was the Arbuthnot Properties/CIPRIM renovation of 8 Place d'Iena, where the imposing three-building property was refurbished to a high standard and let or sold by Jones Lang Wootton.

The land surveying firm of Longdin and Browning has been assisting the Turkish Government in the preparation of a study into the efficiency of the national cadastral survey (for land taxation purposes).

A project receiving considerable publicity in Hong Kong has been the new headquarters of the Hong Kong and Shanghai Banking Corporation, designed by architects Foster Associates and built at a cost of £434 million. Quantity surveyors for the innovative project, which took six years to complete, were Levett and Bailey in association with Northcroft Neighbour and Nicholson. They were required to adapt their traditional, conventional concepts of quantity surveying to meet the demands of production processes and to communicate with subcontractors who had little experience of working with surveyors and who in some cases had no common language.

During the last few years the Japanese construction industry has become more aware of the expertise available from chartered quantity surveyors and has taken advice from a number of firms. Corderoy International has been advising Japanese contractors on such projects as the Singapore Mass Rapid Transit system and the Shangri-La Hotel in Kuala Lumpur.

Wardell Armstrong worked for Britain's Overseas Development Administration in the Philippines in the appraisal of the coal sector, making recommendations for its future development.

Over the past few years there has been an increasing demand for British firms in sales and valuation work. A major project undertaken by John Foord was the valuation, for insurance/risk management purposes, of the entire real assets owned by the Peruvian State Oil Company. Refineries, fertiliser and carbon-black works and gas plants were scheduled and valued with the wells, pipelines, power stations, wharfs, jetties, tank farms, distribution plant and fuel filling stations throughout Peru. The project included survey of the North Peruvian Pipeline, which is ranked technically as the second largest in the world (the largest being the Alaskan Pipeline) and transports oil from the jungle to the coast. Travel was by helicopter, seaplane and light aircraft as well as small powered boats across the Amazon river.

Shorter Notes

EXPORT CREDITS GUARANTEE DEPARTMENT

The Export Credits Guarantee Department (ECGD), which provides credit insurance for British exporters and insures them against non-payment by overseas buyers, insured business valued at £15,672 million in 1985–86. Premium income during the year totalled £175 million and the trading accounts showed a surplus of £227 million. Net claims paid amounted to £495 million.

Exports insured represented over 23 per cent of total visible non-oil exports. Western Europe accounted for 39 per cent of business insured, North and Central America for 15 per cent, the Middle East for 14 per cent, Asia for 13 per cent and Africa for 12 per cent.

Commenting on the results, the Chief Executive of ECGD, Mr Jack Gill, said that there had been a continuing improvement in credit insurance operations and a useful addition to trading reserves even after increased provision against sovereign debt risk had been made. The international debt problem still made for uncertainty but this related to commitments underwritten some years previously; liabilities incurred since 1983 should, on present trends, pay their way. By the end of March bilateral debt rescheduling agreements had been signed with 27 countries; similar agreements with 11 countries had been negotiated and were

awaiting signature; and bilateral negotiations to implement multilateral agreements signed by creditor and debtor governments were pending with six countries.

Source: *Export Credits Guarantee Department Summary of Audited Trading Results 1985–86.* Available free from Publicity Branch, ECGD, P.O. Box 272, Export House, 50 Ludgate Hill, London EC4M 7AY.

BRITISH TECHNOLOGY GROUP

The British Technology Group (BTG) is a self-financing public organisation whose aim is to assist the development of new technology in Britain. The main part of its operations involves licensing new technological developments within the academic and public sectors and selling the licences for use by private firms, especially overseas. The Group's annual review for 1985-86 shows that 70 per cent of its £17·93 million income from licensing agreements comes from outside Britain.

Not only does the BTG provide an important link between research and production, but it also uses its extensive experience and legal knowledge to establish and protect its clients' patents in countries throughout the world. Although the number of licensing agreements under its control fell slightly to 619 in 1985-86, the Group's portfolio of public sector inventions rose from 1,863 in 1984-85 to 1,912 in 1985-86. Among the most profitable sources of licence income were a lattice-work bone pin invented at the Imperial College of Science and Technology and a new dust helmet respirator developed by the Health and Safety Executive. The number of BTG development projects to assist licensing rose from 367 to 427 during the year.

A smaller but growing part of BTG's activities is the financing of new technology projects within private industry. The Group usually finances a specific project, in return for which it receives a levy on sales of resulting products or on the use of new processes. The BTG is also willing to help firms with loans on a commercial basis or to invest directly in a new technology company by taking part of its share capital.

Of the 237 firms currently being financed by the Group, 14 received awards for their technical innovations or export performance during 1985-86. Ventures from which the BTG itself particularly benefited included computer-aided design developments by Ferranti Infographics Ltd and Micro-Aided Engineering Ltd and advanced telephone equipment produced by Unimation (Europe) Ltd.

The Group also considers aid to inventions by private individuals. Although few of these constitute suitable projects, the occasional venture may produce outstanding results, as when the BTG backed Sir Christopher Cockerell's hovercraft.

The BTG earned a total net income of £19·35 million in 1985-86. After tax there was a net surplus of £5·77 million on its operations, some of which it is already ploughing back into projects ranging from research into new forms of cancer treatment to agricultural engineering and robotics. The remainder will be used to defend its clients' patents overseas and to encourage the growth of links between academic research institutions and industry.

Source: *British Technology Group Review 1985-86.* Available free from the BTG, 101 Newington Causeway, London SE1 6BU.

ROYAL GREENWICH OBSERVATORY

On 3 November the Department of Education and Science announced that it had approved the removal of the Royal Greenwich Observatory to a new site in Cambridge. The Observatory, established in 1675, has long been famous for its pioneering work in accurately measuring time and longitude. It moved from its original site in 1948 to Herstmonceux Castle in East Sussex, southern England, to take advantage of clearer viewing conditions outside London. Since then better viewing positions have been established overseas and the Science and Engineering Council now believes that the Observatory is too remote from other centres of astronomical research. In Cambridge the Observatory will be linked to one of Britain's best astronomy centres, which is a world leader in radio astronomy and also has strong research departments in allied scientific disciplines. The Observatory's move to Cambridge is expected to be completed by 1990.

Source: *Hansard*, Vol 105, No 2, written answers, cols 1-2.

LUNDY MARINE NATURE RESERVE

The land and water around the coastline of the island of Lundy in the Bristol Channel have been declared a Marine Nature Reserve – the first such designation in Britain under the Wildlife and Countryside Act 1981 (see pp 152-3, 1981, and pp 203-4, 1985).

The designation, which followed an application to the Secretary of State for the Environment by the Nature Conservancy Council, will help to conserve the special character of the marine life and habitats around Lundy and will provide opportunities for the study of, and research into, marine flora and fauna and the geological and physiographical features of the area. Activities within the reserve will be regulated by a combination of by-laws and a voluntary code of conduct for visitors. Restrictions, agreed with the local authorities, will be imposed on certain kinds of fishing in some parts of the reserve (although the passage of ships and boats will not be affected) and more general restrictions will apply to activities such as the dumping of waste and litter, and damage or disturbance to marine communities.

Further designations of reserves, expected in the coming months, include Loch Sween and St Abbs in Scotland; Skomer, Bardsey and the Menai Strait in Wales; and the Isles of Scilly in south-west England.

Source: Department of the Environment press notice, 21.11.86.

SOCIAL AND CULTURAL AFFAIRS

Measures to Control the Spread of AIDS

To help control the spread of the disease AIDS (Acquired Immune Deficiency Syndrome) the Government is providing £20 million over the next year to expand and intensify its public education campaign, responsibility for which is to be given to a reconstituted and strengthened Health Education Council. Additional funds are being provided to hospitals in the London area where the bulk of cases have so far occurred and priority is being given to setting up effective counselling systems. A Cabinet committee, under the chairmanship of the Lord President of the Council and Leader of the House of Lords, Lord Whitelaw, has been established to co-ordinate the work of government departments in meeting the threat posed to public health.

The disease, which was first identified in 1981, is believed to be invariably fatal and has no known cure. It is caused by a virus (HIV – human immunodeficiency virus) getting into the bloodstream. This virus is infectious in certain specific ways – principally through sexual intercourse (heterosexual as well as homosexual), by drug abusers sharing contaminated needles, and through babies being infected by the mother before or during birth; and it has a long incubation period – on average five years, during which time those infected are capable of transmitting the virus. In Britain a total of 565 cases have been confirmed, out of which there have been 284 deaths. There are an estimated 30,000 carriers, and the proportion of those who will eventually contract the disease and die is at present estimated at 25 to 30 per cent, but could be higher.

Over the last four years the Government has taken a number of measures to control the spread of the disease. Since 1982 cases have been reported on a voluntary basis to the Communicable Disease Surveillance Centre [part of the Public Health Laboratory Service], as have cases of HIV infection since it first became possible to identify it by blood testing. Beginning in the following year warnings, which appear largely to have been successful, have gone to all blood donors telling those in high-risk groups not to give blood. The blood clotting agent Factor 8, needed by haemophiliacs, has been available in heat-treated form to clinicians since late 1984 and has been produced in Britain since April 1985. In that year also, the testing of blood donations was instituted to eliminate the risk of anyone getting AIDS from infected blood or blood products.

Among other measures, the Government has issued guidance for health care, social services and other staff about dealing with AIDS, and funds have been provided for courses to train counsellors; 1,500 have undergone training in the last 18 months and the numbers are increasing. Most important, a wide-ranging public education campaign has been mounted, involving a series of national press advertisements, a Health Education Council booklet of which about 1 million have been printed, and a telephone advisory service [the Health Line] which was receiving 2,500 calls a week.

Research into the disease is being co-ordinated by the government-funded Medical Research Council, which has so far awarded some £1·5 million for research on AIDS and immunodeficiency viruses, while an additional £50,000 for 1986-87 and £80,000 for 1987-88 is being given for AIDS-related research projects. Private pharmaceutical companies are also devoting increasing resources to research relevant to AIDS.

Further allocations in England for 1986-87 include £2 million to £3 million for testing blood donations and £75,000 to the Public Health Laboratory Service Board for tests on behalf of other parts of the National Health Service; the Board is also spending a further £500,000 on other AIDS-related work. Some £270,000 is being given to the haemophilia reference centres for the provision of advice, testing and counselling services; and £204,000 to voluntary agencies providing advice, counselling and care for AIDS patients. As regards the cost of clinical care, the Government has made available a total of £2·5 million to the three regions coping with the largest number of patients; total costs, however, will depend on how many cases occur and total expenditure for 1986-87 may amount to £3 million to £5 million nationally.

Government Statement

Opening a debate in the House of Commons on 21 November (*Hansard*, Vol 105, No 8, cols 801-66), the Secretary of State for Social Services, Mr Norman Fowler, spoke of the serious threat which AIDS posed

to public health. He said that the disease would present a problem for at least the next ten years, probably for the rest of the century. The number of cases would inevitably increase. The Government aimed to seek as much agreement as possible between political parties on the methods to be used to tackle AIDS. Britain had the opportunity of learning from the experience of other countries where the disease had gained a greater hold. In the United States, for example, almost 25,000 cases had been reported and an estimated 1·5 million people were infected with the virus; in Europe there were countries where the position was substantially worse than in Britain and in parts of Africa the position was worst of all. While at present a relatively small group of people in Britain were infected, the virus was spreading. In the circumstances the Government had an important role to play, but the key to containing the spread of infection ultimately rested with the individual's own behaviour.

Proposed Measures

Mr Fowler said that the first priority in combating the disease was public education which sought to achieve a change in people's behaviour, with everyone taking responsibility for their own actions.

The Campaign

The Government intended to expand and intensify its public education campaign, making £20 million available over the next year. The main elements of the campaign would include a further round of newspaper advertising; a general poster campaign at 1,500 sites around the country; a campaign directed at young people, using magazines, radio and cinema; the delivery of leaflets to all 23 million households in Britain early in 1987, accompanied by television and radio advertising; and a Health Education Council leaflet to be sent to all pharmacies for free distribution to members of the public.

Talks with the British Broadcasting Corporation (BBC) and the Independent Broadcasting Authority (IBA) had brought agreement to co-operate in public service broadcasting. The advertising would aim to convey direct messages in language that was easy to understand. While some people might be offended by this, the greater danger lay in not getting the message across. Unless action were taken, the infection would spread more widely into the heterosexual population, as it was already doing in other countries. A balance had to be struck between warning everyone of the risks and not causing unnecessary panic.

Health Education Council

As regards long-term policy, a body was needed to develop and carry forward the education campaign. The importance of this task and the resources which the Government needed to devote to it made it right to enhance and strengthen the role of the Health Education Council. Mr Fowler proposed, therefore, from 1 April 1987, to reconstitute the Council as a special health authority within the National Health Service with a clear line of accountability to ministers and to Parliament. The new authority would initially assume the present responsibilities of the Health Education Council and from an early date would be given the major executive responsibility and appropriate budget for public education about AIDS. As an integral part of the National Health Service, the new authority would be more responsive than an outside body to the needs of the Service and would have more influence in setting priorities for the Service and ensuring that the needs of health education and promotion were properly recognised. The exact relationship of the new agency with health education arrangements in Scotland, Wales and Northern Ireland would need to be settled. A statement on membership, staffing and budget of the new authority would be made shortly.

Hospital Services

The clinics for sexually transmitted diseases were seeing increasing numbers of people in need of counselling and testing and were under great pressure. All health authorities would therefore be asked to ensure that these clinics were given adequate resources to meet the demand. All districts would be submitting their plans for dealing with AIDS by the end of December. The majority of cases had so far occurred in the London area and a number of London hospitals had acquired expertise in treating AIDS patients; consequently, extra funds had been provided to that region and further funds would be provided next year. As more AIDS cases developed, more districts and hospitals throughout the country would become involved. It was crucial for the district health authorities to prepare for this.

Counselling

Counselling formed an important part of the action against AIDS. Since the disease was incurable and fatal, those tested for the presence of the virus and whose blood was found to be positive must be carefully and sensitively counselled. The Government had given priority to setting up effective counselling systems. Three centres for training in AIDS counselling had been established and were being funded by the Government.

Research

As regards research, it was imperative that no effort should be spared in seeking a cure for AIDS and a vaccine against the virus. Mr Fowler said that he had been assured that no worthwhile research project had gone unfunded. A number of major pharmaceutical companies in Britain were devoting increasing resources to research into AIDS and one such company – Burroughs Wellcome – had been responsible for developing the test for antibodies to the HIV infection which was now in use in Britain as the method for screening blood, and had developed and produced the drug AZT (azidothymidine), at present undergoing clinical trials in Britain. The research effort against AIDS was an international effort to which massive resources were being devoted world-wide.

International Co-operation

Mr Fowler stressed the importance of international co-operation in combating the spread of AIDS. He said that he proposed shortly to visit the World Health Organisation[1] and the United States to discuss the problem and would also be talking to his main European counterparts.

[1]These talks, which covered the current scale of the epidemic in other parts of the world and the measures being taken to combat it, took place on 28 November.

The Question of Screening and Free Syringes

Turning to the proposals that had been put forward for compulsory or voluntary screening for the virus, the Secretary of State said that no decisions had yet been taken. Very real practical difficulties existed in any general, large-scale screening – whether of residents or of visitors to Britain – and there was a fear that any element of compulsion might drive people away from seeking advice or help. The purpose of screening and what happened afterwards needed to be considered: AIDS was quite unlike the notifiable diseases which could be treated and the personal impact on an individual of being told that the result of a test was positive could be devastating.

On the question of the possible free supply of needles and syringes to intravenous drug abusers, Mr Fowler said that any such scheme would need careful supervision accompanied by expert assessment, counselling and treatment; the Government was giving the matter serious and urgent consideration and would make its intentions clear as soon as possible.

Voluntary Organisations

Speaking of the Government's contact with voluntary organisations working in this field, Mr Fowler said that his Department was in close contact with the Terrence Higgins Trust,[1] and should the Trust or any other similar voluntary organisation require further meetings, these would be arranged.

The Secretary of State concluded that while AIDS posed a uniquely difficult public health problem, its spread could be prevented and the problem contained. The Government would do all in its power to emphasise to the public the seriousness of the position and the action necessary to combat the disease. Over the next few years, however, the action needed could be taken only by individuals.

Guidance for Employers

Further government action on AIDS was announced at the end of the debate by the Minister of Health, Mr Tony Newton, who informed the House of the launch of a booklet for employers, dealing with employment issues in relation to AIDS and giving guidance on recruitment of an infected person, on employees' rights if dismissed, and on refusal of employees to work with an infected person.

Shorter Notes

HOME IMPROVEMENT

The Government is to meet half the costs of a new £6 million scheme to help home owners to undertake repairs and improvements to their property. A network of 50 new centres offering practical advice and help, particularly to the elderly, is to be set up over the next year in partnership with the private and voluntary sectors.

[1]The Terrence Higgins Trust, which has received a government grant of £100,000 for the year 1986-87, is the main voluntary organisation working in the AIDS field. It provides information, advice and support to AIDS sufferers, their families and friends and to those most at risk from the disease.

Announcing the scheme on 17 November, the Minister for Housing, Urban Affairs and Construction, Mr John Patten, said that although a record number of improvement grants – worth over £3,000 million – had been made available through local authorities since 1979, there were many other sources of help available to people wishing to carry out repairs and improvements, and agency services had a key role to play in making the best use of all such resources.

Under the scheme, at least 50 new agency centres are to be developed, half of them by the private sector's National Home Improvement Council (which is supported by the building industry and by other companies in the private sector) and the remainder by charitable trusts working alongside housing associations and voluntary bodies. Agency services provide independent advice and practical help, with the emphasis on providing, where necessary, a complete service to home owners and occupiers, including advice on what work needs to be done, which builder to use, methods of finance, and how to ensure that the work is carried through successfully.

Until now, only associations which were also charities or were unregistered could provide agency services, but under the Housing and Planning Act 1986, non-charitable registered housing associations may also provide such services. Other government proposals for encouraging the repair and improvement of private sector housing have been under discussion since the publication in May 1985 of a Green Paper *Home Improvement – A New Approach* (see pp 211-12, 1985).

Source: Department of the Environment press notice, 17.11.86.

GLASGOW – EUROPEAN CITY OF CULTURE 1990

Glasgow has been chosen as the European city of culture for 1990, when it will host a programme of cultural events. The decision to nominate each year a city of culture stems from a European Community resolution made last year to celebrate annually the culture of a city (selected from each Community country in rotation) and its surrounding region as well as its links with broader European culture. Athens was the first holder of the title in 1985. Florence is the European city of culture in 1986, and Amsterdam, Berlin and Paris have been nominated for 1987, 1988 and 1989 respectively.

Glasgow has an impressive range of cultural activities and facilities, an international outlook and a keen desire to expand its European connections. While it has given much to the world in trading and cultural terms in the past, it is also a forward-looking city with a diverse new cultural life. Its many cultural attractions include the Burrell gallery (housing a world-famous collection of tapestries, paintings and *objets d'art*) and other museums; a distinguished school of art; the Scottish Opera, Scottish National Orchestra and Scottish Ballet; the Citizen's Theatre (a drama company of European standing); and a rich and varied architectural heritage.

Speaking on 20 October, the Minister for the Arts, Mr Richard Luce, said: 'The events that will take place [in Glasgow] in 1990 will greatly enhance the city's reputation, encourage tourism, put Glasgow more firmly on the map of Europe and add lustre to the concept of a European city of culture. Glasgow . . . will be in the proud position of demonstrating how the arts can invigorate a city under industrial change; it will give purpose and satisfaction to the region that it serves as well as an example to Europe as a whole.'

Source: Office of Arts and Libraries press notice, 20.10.86.

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